



Frequently Asked Questions from Employers about Family and Medical Leave Insurance (FAMLI)

The Maryland Department of Labor is in the process of establishing our state's Family and Medical Leave Insurance (FAMLI) system. The work of the FAMLI team is underway. Over the past 8 months, we received a number of questions, particularly from the employer community.

Listed below are the most frequently asked questions from employers about contributions. It is important to note that the General Assembly is considering legislation related to FAMLI and that the Department has not finalized regulations. Therefore, these answers are subject to change. Updated information will be posted at paidleave.maryland.gov.

If your question is not answered below, please [click here](#) to submit it!

Contributions Questions from Employers

1. How much will I pay for this?

For those enrolled in the State Plan:

- If you have 15 or more employees, the rate will be 0.90% of covered wages up to the Social Security cap. You may collect up to half of the contribution rate from your employees.
- If you have 14 or fewer employees, the rate is 0.45% of covered wages up to the Social Security cap. You may collect up to the full amount from your employees.

While the Department of Labor sets the contribution rate for the State Plan, private plans will set their own rates. Employees cannot be charged more in a private plan than they would be through the State Plan.

2. Can I pay my employees' share of contributions as an added benefit?

Yes, you can choose to pay the full contribution amount.

3. How will the Division calculate whether or not I have 14 or fewer employees?

You will be able to request a lower contribution rate. You will be required to disclose the average number of employees you have out-of-state. The Division will add that number to the average number reported in wage and hour reports during the four previous quarters. If the total is below 15, you will qualify for the lower contribution rate. Your determination will be effective for one year.

These answers are based on the Division's current thinking. The Division's regulations have not been finalized. The information contained herein is subject to change without notification. Please visit paidleave.maryland.gov for updated information.

4. Will the cost change over time?

Each February, the Division will announce a rate for the following State fiscal year (July 1-June 30). It may change over time, but under current law the total rate cannot go over 1.2% of wages up to the Social Security cap.

5. Contribution and benefit amounts depend on an employee's wages. How do you define wages?

The General Assembly is currently considering legislation to define wages to be the same as that used for the purposes of unemployment insurance.

6. How will contributions be collected and remitted to the State?

If you choose to collect up to half of the contribution rate from your employees, you must collect the employee's portion of the contribution through payroll deductions at the time wages are paid.

You will be responsible for electronically remitting contributions to the State through the Division's online portal (the portal is currently under construction).

7. How often will I remit contributions to the State?

You will remit contributions to the State every three months (on a quarterly basis).

8. I understand that contributions will be made on an employees' wages up to the Social Security cap. How will I calculate when the employee reaches the Social Security cap, if my employee has multiple jobs?

The cap on wages is per job. You will only need to look at wages earned from you.

9. Will I need to make and collect contributions for all my employees?

You will need to make and collect contributions for any employees working in a position located in Maryland.

10. Will I be required to collect and make contributions for all my Maryland-based employees, even if they may not be eligible to receive benefits? For example, will seasonal or part time employees need to contribute?

Yes, the law does not exclude any group of employees.



11. Will I be required to make and collect contributions for my employees who live in Maryland but work in another state?

No, eligibility and contributions are dependent on working in Maryland.

12. Will I be required to make and collect contributions for my employees who work in Maryland but live in another state?

Yes, anyone working in a position located in Maryland will contribute.

13. For unemployment insurance purposes, I'm a reimbursable employer and only pay based on my employees' usage. Am I able to do something similar with FAMLI?

No, there is not a reimbursable option similar to the one offered under the unemployment insurance program.

14. Will my costs change depending on employees' usage of the program?

For those participating in the State Plan, you will not be charged more depending on your employee's usage.