



## 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 private plans. 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](https://paidleave.maryland.gov).

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

### **Private Plans Questions from Employers**

#### **1. Will I have the option to provide a private plan?**

All employers in the state will be required to electronically register with the FAMLI Division. After registering, employers will automatically be enrolled into the State Plan run by the Maryland Department of Labor. The State Plan provides an easy way to be in compliance. You do have other options. You could seek approval for a commercial or self-insured plan. Commercial and self-insured plans must offer benefits and protections that are the same as or better than the State Plan. More details are forthcoming.

#### **2. What if I already offer paid family and medical leave through my existing leave policies?**

If you provide benefits equal to or better than the State Plan, you will be able to apply to be self-insured. Please note that the leave package will need to be approved by the Department and meet every element of the FAMLI program. You will need to demonstrate the plan is financially solvent.

#### **3. If I am approved to offer a private plan, will I still need to make contributions to the State?**

No. Once your private plan is approved you will not need to make contributions to the State Plan.

*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](https://paidleave.maryland.gov) for updated information.*

**4. Will employees have a role in deciding which plan is offered?**

You can seek input from employees when making a plan selection but it is not required by law. You can make the decision that is right for your business or organization.

**5. If I have a private plan, who will process my employees' claims and benefits?**

If you have a private plan, the administrator of the plan, either the insurance company or the self-insured employer, will handle claims and benefits. Regardless of what plan you participate in, the State will handle appeals.

**6. If I choose a private plan, will I still have to submit quarterly wage and hour reports?**

Yes, all employers are required to electronically submit wage and hour reports every quarter.

**7. If I offer a private plan, what additional information will I be required to send to the State and how often?**

You will be required to send claims data each quarter. Employers can face consequences if they submit incorrect, late, or incomplete data.

**8. Does the Department set the cost for private insurance plans?**

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.

**9. If my new employee applies to take leave, will they apply through my plan or through their former employer?**

Employees will apply for benefits through their current employer's plan.

**10. Will I be able to leave a private plan and join either a different private plan or the State Plan?**

You will be able to leave a private insurance plan after a period of one year. The new plan will not take effect until the beginning of the next quarter. There can be no gap in coverage.

**11. Will the Division be able to cancel my private plan?**



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Yes. The Division will be able to cancel your private plan if it determines the plan is not meeting the requirements. This is called involuntary termination. Involuntary terminations can result in fees and penalties.

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