



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

September 2024

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 year, we received a number of questions, particularly from the employer community. This document is an updated version of the FAQ's first published on our website in January 2024.

Listed below are the most frequently asked questions. It is important to note that the Department has not yet 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!

Terms:

Employer: anyone who pays a salary or wage to at least one person who works in Maryland. No employers are excluded from FAMLI.

Worker: anyone who receives a salary or wage for work done in Maryland. Workers **do not** include independent contractors or federal government employees.

Private Plans Questions

1. Will employers have the option to apply for 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. Employers do have other options. Employers 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.

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.

2. What if an employer already offers paid family and medical leave through existing leave policies?

Employers with 50 or more employees that provide benefits equal to or better than the State Plan will be able to apply to be self-insured. The leave package will need to be approved by the Department and meet every element of the FAMILI program. The employer will need to demonstrate the plan is financially solvent.

3. When can employers begin to apply for a private plan?

Private plans are not on the market yet. The Division will release more information about the application process when a market for private plans is established in Maryland.

4. Is there a fee to apply for a private plan?

Yes. The fee varies depending on whether an employer applies for a commercial or self-insured plan. The application fee for a commercial plan ranges from \$100-\$1,000. The exact cost depends on employer size. The application fee for a self-insured plan is \$1,000.

5. Will employers approved to offer a private plan still need to make contributions to the State?

No. Once an employer's private plan is approved they will not need to make contributions to the State Plan.

6. Will workers have a role in deciding which plan is offered?

Employers can seek input from workers when making a plan selection but it is not required by law.

7. Who will process workers' claims, benefits and appeals for employers with 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 employers participate in, the State will handle appeals.



8. The State Plan requires workers to take time off for at least 4 hours. Can private plans allow workers to take time off for periods of time less than 4 hours?

Yes, private plans can allow workers to take time off for periods less than 4 hours.

9. Will employers with private plans still have to submit quarterly wage and hour reports?

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

10. What information will employers with private plans be required to send to the State and how often?

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

11. 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. Workers cannot be charged more in a private plan than they would be through the State Plan.

12. If a new worker applies to take leave, will they apply through their new employer's plan or through their former employer?

Workers will apply for benefits through their current employer's plan. Someone who is unemployed will be able to apply for benefits from the State. However, they will not be able to receive unemployment benefits and FAMILI at the same time.

13. Will employers be able to leave a private plan and join either a different private plan or the State Plan?

Employers 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.



14. Will the Division be able to cancel an employer's private plan?

Yes. The Division will be able to cancel an employer's 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.