



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.

General Questions

1. What is family and medical leave insurance (FAMLI)?

Family and medical leave insurance (FAMLI) will ensure eligible Maryland workers can take up to 12 weeks away from work to care for themselves or a family member and still be paid up to \$1000 a week. This program is often referred to as “paid family and medical leave” or simply “paid leave.”

2. Who will be able to receive paid family and medical leave benefits?

There are two groups of workers who will be able to receive FAMLI benefits: workers based in Maryland and self-employed Maryland residents who opt into the program.

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.

3. How will a worker qualify for benefits?

A worker will be eligible for benefits after working at least 680 hours in a position based in Maryland in the 4 calendar quarters reported before they need to take leave. The worker can apply for benefits after a qualifying life event.

4. What qualifying events could a worker use leave for?

A worker could use leave:

- To welcome a child into their home, including through adoption and foster care
- To care for themselves, if they have a serious health condition
- To care for a family member with a serious health condition
- To make arrangements for a family member's military deployment

5. Will all employers with workers in Maryland be required to provide paid leave?

Yes, all employers with at least one worker in Maryland will be required to provide paid leave. There are no exemptions. Employers can choose to do so through the State Plan, a commercial plan, or a self-insured option.

6. How is FAMLl funded?

FAMLl is funded through contributions that employers will remit to the State on a quarterly basis. The contribution amount is based on payroll. Employers may withhold up to 50% of the total contribution rate from workers' paychecks.

7. When will contributions begin?

The contribution period will begin on July 1, 2025. This means payroll deductions will begin on July 1 and employers will remit the first payment to the State in October 2025.

8. What reporting requirements will there be?

Employers will be responsible for filing quarterly wage and hour reports with the Division. These reports will be the basis for calculating the amount due each quarter. Employers will be required to file these reports, even if they participate in a private plan.

The Division will share sample reporting templates.

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9. When can workers begin receiving benefits?

Benefits begin July 1, 2026.

10. Why will contributions begin before benefits?

The contributions employers remit to the State will create a trust fund. The fund will grow over time and be ready to pay out benefits to Maryland workers starting July 2026.

11. How will a worker apply for paid family and medical leave? How will employers remit payments?

An online web application that workers, employers, and the FAML I Division can access is under development.

12. How is Maryland's family and medical leave insurance (FAML I) program different from the federal Family and Medical Leave Act (FMLA)?

FAML I and FMLA are similar in many ways. The biggest difference is that FAML I offers paid time off, while FMLA ensures workers have access to unpaid time off. Also, FAML I's eligibility rules include more workers and the self-employed.

When an event qualifies for leave through both FMLA and FAML I, the leaves should run at the same time. There will be limited cases when an event only qualifies for FAML I. In that case, an individual does not use any FMLA time while taking FAML I.

13. Maryland already requires paid sick days. How is FAML I different?

Paid sick days and FAML I serve different purposes. It's not a perfect comparison, but one way to think about it is that paid sick days are for everyday colds. FAML I is for battling a serious illness.

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14. When will employers be required to notify workers about paid family and medical leave?

Employers will be required to notify workers about paid family and medical leave:

- starting January 2026 (six months before benefits begin),
- when the worker is hired,
- once a year,
- when the worker requests paid leave, and
- when an employer knows that a worker’s leave request may qualify.

15. Will the Division create sample notices about FAML I for employers to use?

Yes, the Division will create sample notices for employers to use.

16. What should employers do now to prepare?

- Sign up to receive emails from the FAML I Division at paidleave.maryland.gov
- Keep an eye out for information about how to register for an account. After registration, all employers will automatically be enrolled in the State Plan. Employers can alternatively explore private plans.
- Include contributions in future budget planning and consider whether to cover a portion or all workers’ contribution.
- Start thinking about how existing benefits may interact with FAML I.
- Begin discussing any payroll/administrative adjustments that may be needed.
- Evaluate whether policy and handbook changes may be needed.
- Begin talking with workers, so they understand their future FAML I contributions and benefits.

17. What is the timeline for registering my business with FAML I?

The Division expects the online web application to open by the Spring of 2025. When the online web application opens, employers will be able to register. Details will be released at a later date.



Contributions Questions

18. How much will this cost?

For those enrolled in the State Plan:

- For employers with 15 or more workers: the rate will be 0.90% of covered wages up to the Social Security cap. Employers may collect up to half of the contribution rate from workers.
- For employers with fewer than 15 workers: the rate is 0.45% of covered wages up to the Social Security cap. Employers may collect up to the full amount from workers.

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.

19. Will payroll software be able to calculate the amount of money that employers and workers must contribute?

The Division has no control over payroll software. The Division anticipates that vendors will adapt and offer solutions.

20. Can employers pay workers' share of contributions as an added benefit?

Yes, employers can choose to pay the full contribution amount. Please note, there may be tax implications for doing so. Employers should consult with a tax professional.

21. How will the Division calculate whether an employer has fewer than 15 workers?

An employer can request an official determination which could result in a lower employer contribution rate. Employers will be required to disclose the average number of workers who are 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, employers will qualify for the lower contribution rate. The determination will be effective for one year.

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22. My business has less than 15 workers during some parts of the year and more than 15 workers during others. How will the Division determine the number of workers I have?

The Division will collect wage and hour reports every quarter. Until the Division receives 4 quarters of wage and hour reports, the Division will determine employer size each quarter. After the Division receives more than 4 quarters of wage and hour reports, the Division will average the number of workers paid each quarter for the previous 4 quarters.

23. 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.

24. Contribution and benefit amounts depend on a worker's wages. How do you define wages?

The definition of wages is the same as that used for the purposes of unemployment insurance.

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

If an employer chooses to collect up to half of the contribution rate from workers, the employer must collect the worker's portion of the contribution through payroll deductions at the time wages are paid.

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

26. How often will employers remit contributions to the State?

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



27. How will the Division determine what an employer should contribute each quarter?

Employers will submit wage and hour reports each quarter. Those reports will determine how much an employer contributes.

28. I understand that contributions will be made on a worker's wages up to the Social Security cap. How is this calculated when a worker has multiple jobs?

The cap on wages is per job.

29. If an employer does not collect money from a worker's paycheck to cover contributions, can the employer collect the money from a future paycheck?

No, employers are not allowed to collect contributions from workers after the pay cycle ends.

30. There may be times when a worker is not receiving wages from their employer. For example, a worker may receive Worker's Compensation or take unpaid time off. Are the employer and worker still responsible for FAMI contributions during this time?

No, neither the worker nor their employer will owe contributions during that time.

31. Will employers need to make and collect contributions for all workers?

Employers will need to make and collect contributions for anyone working in a position localized in Maryland. Workers cannot opt out of participating.

32. Are independent contractors considered "covered employees?"

No, independent contractors are not considered "covered employees." They do not need to pay contributions and are not eligible for benefits.

33. Will employers be required to collect and make contributions for all Maryland-based workers, even if those workers 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 workers.

34. Will employers be required to make and collect contributions for workers who live in Maryland but work in another state?

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

35. Will employers be required to make and collect contributions for workers who work in Maryland but live in another state?

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

36. I work from my home or office in Maryland, but my employer is located in a different state. Will I make contributions and be eligible for benefits?

If you work in Maryland, you will contribute and be eligible for benefits. It does not matter where your employer is located.

If you work in more than one state, your eligibility will depend on localization rules.

37. My company's office is located in Maryland, but some people work remotely from another state. Will out-of-state workers contribute and be eligible for benefits?

No, only Maryland workers will contribute and be eligible for benefits.

38. My company's home office is not in Maryland, but we occasionally do work in Maryland. Will the company be responsible for contributions for the time workers are in Maryland?

It depends. The calculation is not based on time. It is based on position. If the position is "based" in Maryland according to the unemployment localization rules, then contributions will be due. If the position is "based" in another state according to the unemployment localization rules, contributions will not be due.

39. My family employs a nanny. Am I considered an employer?

Yes, an employer is anyone who pays a salary or wage to at least one person. All employers will have to comply by offering FAMLI leave and sending contributions and reports to the Division.

40. Maryland's unemployment insurance program exempts a number of employment categories from participating. Will FAML I also exempt those categories?

No. All employment categories are covered by FAML I. There are no exemptions.

41. For unemployment insurance purposes, I'm a reimbursable employer and only pay based on workers' usage. Am I able to do something similar with FAML I?

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

42. How will Medicaid providers be reimbursed?

Please contact the Maryland Department of Health.

43. Will employers' costs change depending on workers' usage of the program?

Employers in the State Plan will not be charged more depending on worker usage. Private plans may be structured differently.

44. Will a worker be reimbursed for their contributions if they leave a job but never filed a claim?

No. Like other insurance programs, FAML I contributions go into a shared account that is used to pay benefits. No individual worker or employer is entitled to the return of any funds.

45. Will third-party administrators be able to interact with the FAML I system?

The Division understands that many employers will rely on third party administrators to interact with our system. Our online web application is being built with that in mind.

Claims Questions

46. Who will be able to receive paid family and medical leave benefits?

Any worker with a qualifying event who works at least 680 hours in a position based in Maryland in the 4 calendar quarters reported before they need to take leave.

Self-employed individuals can opt into the program and have different eligibility requirements.

47. Do federal workers who work in Maryland qualify for FAMLl benefits?

No, federal workers do not qualify for FAMLl benefits and do not contribute to the fund. Consider reviewing the [paid parental leave policy for federal workers](#).

48. What qualifying events could a worker use leave for?

A worker could use leave:

- To welcome a child into their home, including through adoption and foster care
- To care for themselves, if they have a serious health condition
- To care for a family member with a serious health condition
- To make arrangements for a family member's military deployment

49. How long after a child is born or placed with a family can a parent take leave?

Parents can take leave during the first year after their child is born or placed with them through foster care, kinship care, or adoption. Parents of children born or placed with families before benefits become available on July 1, 2026 can take leave within the first year after birth or placement. For example, if a baby was born on March 1, 2026, the parent(s) would be eligible for 12 weeks of FAMLl leave between July 1, 2026 and March 1, 2027 when the baby turns 1.

50. Who is considered a “family member” of a worker?

Family members are:

- the spouse or domestic partner of the worker;
- a child (including biological, adopted, foster or stepchild) of the worker;
- a parent (including biological, adopted, foster or stepparent) of the worker or the worker's spouse;
- a grandparent (including biological, adopted, foster or step-grandparent) of the worker;
- a grandchild (including biological, adopted, foster or step-grandchild) of the worker;
- a sibling (including biological, adopted, foster or step-sibling) of the worker;
- a person for whom the worker, or the worker’s spouse, has court appointed decision making authority over (financial and/or personal);
- an individual who acted as a parent or stood in loco parentis to the worker or the worker's spouse when the worker or the worker's spouse was a minor. (For example, the worker’s step-parent from when the worker was a minor but who is no longer married to the worker’s birth parent);
- a child for whom the worker has court appointed decision making authority over (financial and/or personal) and/or who lives with the worker; and
- a child the worker has assumed the obligations of a parent for without formal adoption proceedings.

51. Can the next of kin for a military service member qualify to take time away to care for the member?

Yes, if the serious health condition was caused or exacerbated by the member's military service.

52. What qualifies as a serious health condition?

A serious health condition is an illness, injury, or physical or mental condition that meets one or more of the following:

- Requires inpatient care,
- Involves the donation of an organ, or
- Involves continuing treatment by a licensed health care provider including:
 - a period of disability due to pregnancy,
 - a period of disability due to a chronic condition,
 - a period of disability due to a permanent or long-term condition,
 - absences to receive multiple treatments, and
 - a period of incapacity of 3 or more days that also involves multiple treatments.

53. Will workers need to create an online account with FAMILI?

Workers will only need to create an account when they are ready to file a claim.

54. When can workers apply for benefits?

Benefits will be available starting July 1, 2026. Workers can apply for benefits up to 60 days before or after their leave starts.

55. How will employers know if a worker filed a claim with the State?

Employers may require workers to provide 30 days notice for foreseeable leave. For leave that is unexpected, employers may require workers to give notice as soon as is practicable.

Additionally, the Division will electronically notify employers when a worker files a claim and each time there is a status change to the application (determination, appeal request, appeal, etc...).

56. How is an employer involved in the claims process?

The Division will notify an employer when a worker files a claim. The employer will have 5 business days to respond. The employer can tell the Division to proceed with processing the claim or provide additional information about the claim.

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57. How will employers verify whether a new hire has worked 680 hours in the last 4 calendar quarters?

Wage and hour reports will be submitted to the FAML I Division each quarter when contributions are due. The FAML I Division will use those reports to respond to inquiries from employers about worked hours.

58. Will someone who is unemployed be able to receive benefits?

Yes. 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 FAML I at the same time.

59. Are there any exceptions to eligibility rules based on type of worker? For example, are AmeriCorps, seasonal or temporary workers exempt?

The law does not exclude any group of workers. Self-employed individuals can choose to participate.

60. What is the turnaround time on claims?

The Division has 10 days to make a determination on a completed claim. An employer has a chance to respond before a claim is considered complete.

61. How much will a worker be paid while out on paid family and medical leave?

Maryland workers will earn up to 90% of their wages up to a maximum of \$1000 per week. Employers have the option of “topping off” the benefit through their own plans and policies.

62. A worker may take leave from more than one employer at the same time. How will their benefit amount be calculated?

FAML I benefits will be calculated per employer. A worker can earn up to 90% of their weekly wages per employer.

63. How long will it take for a worker to receive benefits? Is there a waiting period for benefits?

Workers will receive their first benefit payment within 5 business days after their claim is approved or the leave has started, whichever is later. There is no waiting period for benefits.

64. How much time off will a worker be able to request each year through paid family and medical leave? Are there any special circumstances that would give a worker more time off?

When benefits become available in 2026, workers will be able to request up to 12 weeks within a 12 month period. The exact time off approved will depend on the person and their situation.

If the worker experiences both their own serious health condition and welcomes a child in the same year, they could be eligible for up to 12 weeks per event for a total of up to 24 weeks. While the two events could be related, they do not have to be.

65. Will workers have to take all 12 weeks of leave at once?

No. Workers will be able to take up to 12 weeks of leave on a continuous or an intermittent basis. Intermittent means not all at once. Employers and workers should agree on the intermittent schedule.

66. How will leave length be determined?

To determine how much leave to approve, the Division will review three things: 1) the number of weeks the worker requested; 2) the amount of leave supported by the medical professional signing the leave certification (if required); and 3) how much of the worker's FAMLl leave is still available for the year. The Division will approve leave for the lowest amount of time.

67. Do workers receive job protection while out on FAMLl leave?

Yes, an employer must hold a worker's position while they are on FAMLl leave. The worker should return to the same or an equivalent position.

68. Will an employer need to maintain workers' health benefits while they are out on FAMILI leave?

Yes, employers must maintain workers' health benefits while they are out on leave.

69. Will workers be eligible for paid family and medical leave if they changed jobs recently? What if they have more than one job?

A worker is eligible if they worked 680 hours in Maryland in the 4 calendar quarters reported before they take leave. Eligibility is not dependent on time spent at a specific job.

70. If a worker changes jobs, will they still be eligible for benefits? Does it matter if the new employer has a different plan?

Yes, they will be eligible for benefits in the State plan, as long as they have worked 680 hours in Maryland. All work localized in Maryland counts toward a worker's eligibility. It does not matter whether the employer participates in a private plan or the State plan.

71. If a worker has a break between jobs, does that impact their eligibility?

The Division will look at the last 4 quarters for which reports were due. If they worked 680 hours total, they will qualify.

72. Some workers are eligible to take time off through the federal Family and Medical Leave Act (FMLA). Will workers be able to take time off through both FMLA and Maryland's FAMILI?

When an event qualifies for leave through both FMLA and FAMILI, the leaves should run at the same time. There will be cases when an event only qualifies for FAMILI. In that case, an individual does not use any FMLA time while taking FAMILI.

73. Can a worker receive Workers' Compensation and FAMILI leave benefits at the same time?

No, a worker may not receive FAMILI benefits at the same time as most types of Workers' Compensation. There is an exception for permanent partial disability payments.

74. Will workers need to use their regular paid time off before they can use FAMILI?

No. Employers cannot require workers to use other types of paid time off before using paid family and medical leave.

75. What if an employer offers parental leave?

If an employer offers leave specifically designed to cover a FAMILI qualifying event, such as parental leave, the Division is referring to that as **Alternative FAMILI Purpose Leave (AFPL)**. If an employer offers AFPL, they will be able to require that workers take their AFPL concurrently with FAMILI leave.

76. A worker takes 6 weeks of leave through their employer's AFPL plan and another 6 weeks through FAMILI. Does that exhaust the total 12 weeks available through FAMILI?

Yes.

77. My company already offers short term disability insurance (STD). How will paid family and medical leave interact with STD?

The weekly benefit amount through FAMILI will not be reduced or offset to take into account STD benefits. When FAMILI is used for a worker's own serious health condition, there may be some overlap with a worker's eligibility for an employer's short term disability policy. Employers may choose to amend their STD policy to take into account FAMILI benefits. For example, employers may "top off" the FAMILI wage replacement percentage to 100% of the worker's regular pay or increase the duration of leave related to the health event beyond the 12 weeks provided by FAMILI.

78. Can a worker use regularly accrued time along with the FAMILI benefit?

Employers may allow workers to use accrued leave to top off their FAMILI benefit up to 100% of their wage. Workers must agree to using their accrued leave in this way.

79. Who will certify that the claimant has a Serious Health Condition?

A licensed health care provider will be required to certify.



80. How will the system protect against fraud?

Preventing fraud is a top priority for the FAML I Division and the Maryland Department of Labor, and we are building the system accordingly. In addition, the Division will notify employers when a worker submits a claim and again after a decision. Employers will have the opportunity to share pertinent information with the Division, including proof that a worker is not eligible for leave.

81. Will the claims process for private plans be the same as the claims process for the State Plan?

In general, private plans are required to follow the same process as the State.

Private Plans Questions

82. Will employers have the option to apply for a private plan?

All employers in the state will be required to electronically register with the FAML I 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.

83. 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 FAML I program. The employer will need to demonstrate the plan is financially solvent.

84. 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.

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85. 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.

86. 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.

87. 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.

88. 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.

89. 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.

90. 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.

91. 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.

92. 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.

93. 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 FAMI at the same time.

94. 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.

95. 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.

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