

# FAMLI Frequently Asked Questions

April 2026

The Maryland Department of Labor (MD Labor) is in the process of establishing our state's Family and Medical Leave Insurance (FAMLI) program. [Chapters 1-5 of the FAMLI regulations](#) are now in effect and published in the Code of Maryland Regulations.

Listed below are the most frequently asked questions for private plans, particularly from the employer community, with answers from the FAMLI Division of MD Labor.

If your question has not been answered, please reach out to our Customer Care Contact Center at (410) 525-4010 or [paid.leave@maryland.gov](mailto:paid.leave@maryland.gov).

## Private Plans Questions

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

All employers with at least one Maryland employee 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.

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

Employers who intend to apply for a private plan in 2027 may submit a Declaration of Intent (DOI) to the FAMLI Division by November 15, 2026. DOI submissions open September 1, 2026.

Once private plans are on the market in 2027, the Division will begin accepting applications to offer a private plan.

### 3. 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 FAMLI Division and meet every element of the FAMLI program. The employer will need to demonstrate the plan is financially solvent.

Employers with fewer than 50 employees may apply for a self-insured plan, if they have a FAMLI-compliant plan in place by July 31, 2026.

#### **4. What is the difference between a commercial plan and a self-insured plan?**

Commercial plans will be sold by a third party insurance company. The insurance company will review and pay employees' claims. Any employer will be able to purchase a commercial plan.

Self-insured plans will be financed directly by employers. Employers who self-insure will review and pay employees' claims. Employers will only be able to apply for a self-insured plan if they have at least 50 employees **or** they have fewer than 50 employees but their FAMLI-compliant plan was in place by July 31, 2026.

Commercial and self-insured plans must be approved by FAMLI and must provide benefits equivalent to or better than the State Plan.

#### **5. Employers with 50 or more employees can apply for a self-insured private plan. How are employees counted in this situation?**

In this case, employers with 50 or more employees localized in Maryland can apply for a self-insured private plan. There is one exception: employers with fewer than 50 employees can apply to use a self-insured plan, if they have their own FAMLI-compliant plan in place before July 1, 2026.

#### **6. What criteria will an employer need to meet in order to be self-insured?**

An employer will need to submit:

- an application;
- their family and medical leave insurance policy that meets or exceeds the benefits of the State Plan; and
- proof of solvency (ie a surety bond).

An employer must also establish a separate account to be used solely for FAMLI contributions and benefits.

Employers who submit a Declaration of Intent to be self-insured before the application becomes available must meet with an insurance provider about available commercial private plans and obtain their signature.

**7. Are there any requirements regarding how self-insured private plans are funded or accounted for?**

An employer with an approved self-insured plan can withhold contributions from employees, but it is not a requirement. The amount withheld from employees cannot be more than the employees' contribution rate under the State Plan. If an employer withholds contributions from employees, the employer must maintain FAMLI-related funds in a separate account used solely for FAMLI benefits.

**8. Will an employer with an approved self-insured plan be able to collect contributions from employees?**

Yes. If the employer plans to collect contributions from employees, they will not be able to withhold more than they would in the State Plan. The employer must maintain a separate account used only for FAMLI benefits.

**9. How much will an employer using a private plan be able to withhold from their employees?**

Employers will not be able to withhold more than 50% of the State Plan contribution rate from employees. For example, if the State Plan contribution rate is 0.9%, employers with a private plan would not be able to withhold more than 0.45% of an employee's wages.

**10. If an employer submits a Declaration of Intent (DOI) to provide a private plan, will they still need to submit wage and hour reports starting April 2027?**

Yes. All employers, regardless of plan type, will need to start submitting quarterly wage and hour reports in April 2027.

**11. Employers with an accepted Declaration of Intent must keep contributions due in an escrow account. What will happen to that money when their private plan application is approved or denied?**

During the seeding period (January 1, 2027-December 31, 2027) employers with an accepted Declaration of Intent must hold all contributions due in an escrow account. The employer is able to collect contributions from their

employees or can self-fund the escrow account. There is a statutory exception to this requirement for certain governmental employers.

If an employer is approved to use a self-insured private plan, they will be able to use those contributions collected to fund a separate account used solely for FAMLI benefits.

If an employer is approved to use a commercial private plan, they must return any contributions collected from employees back to the employees.

If an employer's application to use a private plan is denied or the employer decides to use the State Plan, the contributions held in escrow will be owed to the State.

## **12. 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 payroll size. The size is determined by the number of employees localized in Maryland at the time the application is submitted.

The fee scale is:

\$100.00 for an employer with 1-14 employees

\$250.00 for an employer with 15-49 employees

\$500.00 for an employer with 50-199 employees

\$600.00 for an employer with 200-499 employees

\$750.00 for an employer with 500-999 employees

\$1,000.00 for an employer with 1000 or more employees

The application fee for a self-insured plan is \$1,000 regardless of employer size. Application fees are paid annually.

**13. Will sub-agencies or various divisions of an employer all need to use the same plan?**

When employers register with FAMLI, they will enter their federal Employer Identification Number (EIN). FAMLI will only allow one registration per EIN. All employees reported under the EIN must be enrolled in the same plan.

**14. Will an employer be able to have different plans for different groups of employees? For example, can an employer's leadership team be in the State Plan, while their managers are in a private plan?**

No. Whichever plan an employer chooses must cover all employees.

**15. Will employers approved to offer a private plan still need to make contributions and file wage and hour reports to the State?**

Once an employer's private plan is approved they will not need to make contributions to the State Plan, but the employer will still be required to provide quarterly wage and hour reports.

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

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

**17. Who will review employees' 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.

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

Wage and hour reports will be submitted to the FAMLI Division each quarter when contributions are due. The FAMLI Division will use those reports to respond to inquiries from employers and insurers administering private plans about the eligibility of an employee with a pending claim.

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

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

**20. 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.

**21. 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.

**22. What records will employers with private plans be required to keep?**

Employers with approved private plans are required to keep the following records for at least 5 years:

- applications submitted and outcomes (approved/denied);
- benefits paid;
- reconsideration requests and outcomes;
- wage and hour reports; and
- employee contributions received.

**23. 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. The Maryland Insurance Administration (MIA) regulates insurance products. Employees cannot be charged more in a private plan than they would be through the State Plan.

**24. Can private plans charge employers a higher contribution rate than the State Plan?**

Yes, private plans can charge employers a higher contribution rate than the State Plan. However, employers participating in a private plan cannot, in turn, charge their employees a higher rate than the State Plan.

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

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

**26. Will the FAMLI Division be able to cancel an employer's private plan?**

Yes. The FAMLI 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.

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

Yes, but the timing of a decision to change plans is important. Employers with a private plan are expected to remain in that plan for at least a year. After a year, the employer may apply to change private plans or join the State Plan. After review by the Department, approved changes will take effect at the beginning of the next quarter. There can be no gap in coverage and employees will immediately be able to file claims through the new plan.

**If an employer leaves their private plan to join the State Plan between January 1, 2028 and December 31, 2028:** they will owe contributions dating back to January 1, 2027, plus interest and will need to start collecting contributions moving forward. There may be additional financial penalties.

**If an employer leaves a private plan to join the State Plan between January 1, 2029 and December 31, 2029:** they will owe half the contributions due since January 1, 2027, plus interest and will need to start collecting contributions moving forward. There may be additional financial penalties.

**28. If an employer switches from a private plan to the State Plan, is there a waiting period before employees will be able to access benefits?**

No. If an employer switches from a private plan to the State Plan, there is no waiting period before employees will be able to access benefits.

**29. Will an employer be able to leave the State Plan and join a private plan at a later date?**

Yes.

**30. Will employers with a private plan be able to access FAMLI's customer care contact center?**

Yes. Anyone can access FAMLI's Customer Care Contact Center with questions by calling (410) 525-4010 or emailing [paid.leave@maryland.gov](mailto:paid.leave@maryland.gov).