

FAMLI Frequently Asked Questions

Version 2 - October 2025

The Maryland Department of Labor (MD Labor) is in the process of establishing our state's Family and Medical Leave Insurance (FAMLI) system. Listed below are the most frequently asked questions about private plans, particularly from the employer community, with answers from the FAMLI Division of MD Labor.

This document is an updated version of the FAQ's first published on our website in January 2024. 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!

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. 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.

3. 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 process 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 process 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.

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

Employers who want to offer a private plan may submit a Declaration of Intent to the FAMLI Division in the Fall of 2026 to indicate their intention to obtain a private plan.

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

5. 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

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\$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.

6. 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.

7. 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.

8. Who will process 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.

9. 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.

10. 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 can allow employees to take time off for periods less than 4 hours.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

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

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.

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After review by the Department, approved changes will take effect at the beginning of the next quarter. There can be no gap in coverage.

During the first two years of FAMLI, there may be a financial penalty if an employer in a private plan chooses to join the State Plan.

17. 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.

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