



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. 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.

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

General Questions from Employers

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 receive income of 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: employees based in Maryland and self-employed Maryland residents who opt into the program.

3. How will an employee qualify for benefits?

Any employee with a qualifying event who works at least 680 hours in a position based in Maryland in the 12 months before they need to take leave will be eligible for benefits.

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

- 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's serious health condition
- To make arrangements for a family member's military deployment

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.



5. Will I be required to provide paid leave?

Yes, all employers will be required to provide paid family and medical leave insurance. You may choose whether to provide insurance through the State Plan, a commercial plan, or a self-insured option.

6. How is FAML I funded?

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

7. When will contributions begin?

The General Assembly is currently considering legislation proposing that contributions begin in July of 2025. This means payroll deductions would begin in July and you would remit your first payment to the State after the quarter ends in October of 2025.

8. What reporting requirements will there be?

You 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. Even if you participate in a private plan, you will be required to file these reports.

9. When will workers begin receiving benefits?

The General Assembly is currently considering legislation proposing that benefits begin in July 2026.

10. Why will contributions begin before benefits?

The contributions employers will 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 in 2026.

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

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

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12. How is Maryland's family and medical leave insurance (FAMLI) program different from the Federal Medical Leave Act (FMLA)?

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

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

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

Paid sick days and FAMLI 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. FAMLI is for battling a serious illness.

14. When will I be required to notify employees about paid family and medical leave?

You will be required to notify employees about paid family and medical leave:

- six months before benefits begin,
- when the employee is hired,
- once a year,
- when the employee requests paid leave, and
- when you know that an employee's leave request may qualify.

15. What should I be doing now?

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

Contributions Questions from Employers

16. How much will I pay for this?

For those enrolled in the State Plan:

- If you have 15 or more employees, the rate will be 0.90% of covered wages up to the Social Security cap. You may collect up to half of the contribution rate from your employees.
- If you have 14 or fewer employees, the rate is 0.45% of covered wages up to the Social Security cap. You may collect up to the full amount from your employees.

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.

17. Can I pay my employees' share of contributions as an added benefit?

Yes, you can choose to pay the full contribution amount.

18. How will the Division calculate whether or not I have 14 or fewer employees?

You will be able to request a lower contribution rate. You will be required to disclose the average number of employees you have 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, you will qualify for the lower contribution rate. Your determination will be effective for one year.

19. 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.

20. Contribution and benefit amounts depend on an employee's wages. How do you define wages?

The General Assembly is currently considering legislation to define wages to be the same as that used for the purposes of unemployment insurance.

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

If you choose to collect up to half of the contribution rate from your employees, you must collect the employee's portion of the contribution through payroll deductions at the time wages are paid.

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

22. How often will I remit contributions to the State?

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

23. I understand that contributions will be made on an employees' wages up to the Social Security cap. How will I calculate when the employee reaches the Social Security cap, if my employee has multiple jobs?

The cap on wages is per job. You will only need to look at wages earned from you.

24. Will I need to make and collect contributions for all my employees?

You will need to make and collect contributions for any employees working in a position located in Maryland.

25. Will I be required to collect and make contributions for all my Maryland-based employees, even if they 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 employees.

26. Will I be required to make and collect contributions for my employees who live in Maryland but work in another state?

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

27. Will I be required to make and collect contributions for my employees who work in Maryland but live in another state?

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

28. For unemployment insurance purposes, I'm a reimbursable employer and only pay based on my employees' usage. Am I able to do something similar with FAMILI?

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

29. Will my costs change depending on employees' usage of the program?

For those participating in the State Plan, you will not be charged more depending on your employee's usage.

Claims Questions from Employers

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

Any employee with a qualifying event who works at least 680 hours in a position based in Maryland in the 12 months before they need to take leave.

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

31. What qualifying events could an employee use leave for?

- 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's serious health condition
- To make arrangements for a family member's military deployment

32. Who is considered a "family member" of an employee?

Family members are:

- the spouse or domestic partner of the employee;
- a child (including biological, adopted, foster or stepchild) of the employee;
- a parent (including biological, adopted, foster or stepparent) of the employee or the employee's spouse;
- a grandparent (including biological, adopted, foster or step-grandparent) of the employee;
- a grandchild (including biological, adopted, foster or step-grandchild) of the employee
- a sibling (including biological, adopted, foster or step-sibling) of the employee;
- a person for whom the employee, or the employee's spouse, has court appointed decision making authority over (financial and/or personal);



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- an individual who acted as a parent or stood in loco parentis to the employee or the employee's spouse when the employee or the employee's spouse was a minor. (For example, the employee's step-parent from when the employee was a minor but who is no longer married to the employee's birth parent);
- a child for whom the employee has court appointed decision making authority over (financial and/or personal) and/or who lives with the employee; and
- a child the employee has assumed the obligations of a parent for without formal adoption proceedings.

33. 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.

34. How will I know if an employee filed a claim with the State?

You may require your employees to provide 30 days notice for foreseeable leave. For leave that is unexpected, you may require your employees to notify you as soon as is practicable.

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

35. How will I verify whether a new employee has worked 680 hours in the last 12 months?

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 verify worked hours.

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36. 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 FAMLI at the same time.

37. Are there any exceptions to eligibility rules based on type of employee? For example, are AmeriCorps, seasonal or temporary employees exempt?

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

38. How much will an employee be paid while out on paid family and medical leave?

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

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

When benefits become available in 2026, employees 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. An employee may be eligible to take up to 24 weeks off in a single year if they need to take care of their own serious health condition and welcome a new child in the same year.

40. Will employees have to take all 12 weeks of leave at once?

No. Employees will be able to take up to 12 weeks of leave on a continuous or an intermittent basis. Intermittent means not all at once. When an employee takes intermittent leave, you and the employee should agree on the schedule.

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

An employee is eligible if they worked 680 hours in Maryland in the 12 months before they take leave. Eligibility is not dependent on time spent at a specific or single job.

- 42. Some employees are eligible to take time off through the Federal Medical Leave Act (FMLA). Will employees 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.

- 43. Will employees need to use their regular paid time off before they can use FAMILI?**

You can not require employees to use other types of paid time off before using paid family and medical leave.

- 44. What if I offer parental leave?**

If you provide 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 you offer AFPL, you will be able to require that your employee take their AFPL concurrently with FAMILI leave.

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

An employee will earn up to 90% of their wages up to \$1000 per week through paid family and medical leave insurance. You may choose to use your STD policy to increase the wage replacement percentage.

- 46. Who will certify that the claimant has a Serious Health Condition?**

A licensed health care provider will complete the medical form.

- 47. How will the system protect against fraud?**

Preventing fraud is a top priority for the FAMILI Division. The Division will notify you when your employee submits a claim and again after a decision. You will have the opportunity to share pertinent information with the Division. For example, you may submit proof that an employee is not eligible for leave.

- 48. 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 from Employers

49. Will I have the option to provide 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. 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.

50. 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 FAML I program. You will need to demonstrate the plan is financially solvent.

51. 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.

52. 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.

53. 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.

54. 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.

55. 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.

56. 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.

57. 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.

58. 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.

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

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.

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