# IT'S TIME TO PREPARE FOR MARYLAND FAMLI

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If you have one employee in Maryland on your payroll, you must comply with the Maryland's Time to Care Act, which established Family and Medical Leave Insurance law (FAMLI). FAMLI is a state operated insurance plan funded by employer payroll deductions, with an exemption for "small employers". There are options to purchase a private plan or a self-insured obligation, though for the majority of employers, most will participate in the state plan. Eligible employees, whose application has been approved by the State of Maryland, may take job protected family leave. Benefits begin January 2028. Payroll contributions begin January 1, 2027.

Paid family leave may be used by eligible employees to care for or bond with a child during the first year of child's birth, a child's adoption, or child's placement during the first year of adoption or placement. It may be used for the employee's own serious health condition. It may also be used to care for a family member with a serious health condition. It may be used to care for a service member with a serious health condition for employees (depending upon their relationship to the service member). Finally, leave may be taken for qualified exigency leave. The FAMLI regulations define who is a covered family member.

The benefits an employee may receive are 90% of their wages up to $1,000 per week. You can "top off" the wages – pay the gap between wages paid through FAMLI and the employee's current wage. This is not required. You can fund this through other paid leave plans.

There are registration compliance obligations, financial obligations, employee notification obligations, obligations in respect of employee applications, and obligations to provide eligible employees with protected leave. Each obligation is described below.

## Registration/Filings

Like unemployment insurance employers must register and create a FAMLI account with the state by accessing Maryland's Family and Medical Leave Insurance website. Link here: https://paidleave.maryland.gov/register/.

You will be required to provide a Social Security Number and driver's license or other state ID card to accomplish registration. If you have a Login.gov account you can use that account to login and create your FAMLI account. to verify your entity.

Beginning April 1, employers are required to submit quarterly wage and hour reports.

## Financial Obligations

FAMLI is funded through payroll contributions (employer 50% and employee 50%). Employers with 15 or more employees must pay the entirety of the required contribution. Employers with less than 15 employees only remit the employee share of the contribution rate (50% of the required contribution). This means that small employers are not required to pay any contribution.

Employers may choose not to deduct from employee pay and instead fund the employee's required contribution.

**Contributions begin January 1, 2027**

Notice Requirement

You must provide your employees with notice of their rights under the Time to Care Act. Attached is a link to Maryland's Notice Template: https://paidleave.maryland.gov/files/famli-policy-guidance-on-employee-notification.pdf

You can also download a Microsoft Word Form: https://paidleave.maryland.gov/files/famli-2026-employee-notification-template.docx

**Notices must be provided to employees:**

- **At least one payroll period prior to January 1, 2027 (including the contribution requirement)**
- **To all new hires commencing July 1, 2027 (model template expected to be released by Maryland's DOL in 2027)**
- **Once a year starting July 1, 2027**
- **After July 1, 2027 whenever an employee requests leave using terms such as "paid family and medical leave", "parental leave", "family leave", or otherwise has provided information sufficient for employer to determine that the employee may be eligible for leave.**

Notices may be provided by hard copy, email, and electronic employee portal designed for providing individual notices. It is recommended that whatever vehicle you elect to deliver the notices that you have evidence documenting that notice is provided. Posting of notice is not sufficient but a general notice of FAMLI should be posted where other employee notices are posted.

Application Requirements

You must respond to a claim notice within five business days. You have the option of simply telling the State to proceed with reviewing the claim based upon the information in the claim's notice. You may also provide additional information about the claim.

Approved Leave Requirements

Employees may receive up to 12 weeks in a paid 12-month period. The State determines the leave period. Leave may be taken intermittently (no less than 4 hours at a time unless the standard shift is less than 4 hours) or continuously.

This leave is job protected. You must hold the position open for the employee or be prepared to provide an equivalent position upon return.

You are required to maintain employee health benefits.

If the leave is also federal FMLA leave, the FAMLI leave and federal FMLA leave run concurrently.

You may not require an employee to use their PTO or Sick Leave before they use FAMLI leave.

If an employee is qualified for other leave program or benefit, it is up to the employee to choose which plan they use and for what portion of the leave.

Coordination of various leave programs, including short-term disability is a case by case and employer specific analysis. You may want to consider if you want to maintain short-term disability benefits.

**Next Steps**

- If interested in using a private plan to satisfy obligations being this investigation as soon as possible
- Register for a FAMLI Account
- Provide employees with the notice described as soon as possible
- Begin contributions beginning January 1, 2027

Rees Broome, PC is here to help explain how the law applies to you; prepare required notices; and provide a policy for your handbook.

Contact me at: ssalen@reesbroome.com or your Rees Broome attorney.

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