



## e-Alert

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# e-Alert: Maryland Enacts Paid Family and Medical Leave Program

## Background

On April 29, 2022, Governor Hogan vetoed the “Time to Care Act of 2022”, however, the law was ultimately passed by Maryland legislation, enacting a Family and Medical Leave Insurance Program in Maryland. Beginning October 1, 2023, employers with 15 or more employees participating in the program must begin contributing to the fund. Maryland employees will be able to apply for paid leave beginning January 1, 2025.

## Summary

According to the state, the program will run similarly to the way insurance works. Employees and their employers will both contribute a premium through payroll deductions, similar to insurance premiums. Contributions from employees and employers (and self-employed individuals who participate in the program) are not required until October 1, 2023. The payroll tax rate has yet to be determined.

Paid leave benefits are available to employees who work at least 680 hours over the 12-

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month period immediately preceding the date on which leave is to begin. Covered employees may receive up to 12 weeks of partial wage replacement benefits as well as job protection for the following reasons:

- To care for a child during the first year after the child's birth or after the placement of the child through foster care, kinship, or adoption.
- To care for a family member with a serious health condition.
- The covered individual has a serious health condition.
- To care for a service member who is the covered individual's next of kin.
- The covered individual must deal with the needs of a family member with military deployment.

If an employer already offers greater benefits through a collective bargaining agreement or an existing policy, the new law does not diminish the employer's existing obligations. The employee must exhaust all employer-provided leave before receiving benefits under the new law.

An employer is permitted to opt-out of the state program if they offer a private plan that must be filed with the Maryland Department of Labor for approval. The private plan may consist of employer-provided benefits, insurance, or a combination of both, but it must meet or exceed the rights, protections, and benefits provided by the Act.

At this time, it is not clear how the law would apply to Maryland employees who divide their work time between Maryland and the neighboring District of Columbia, which has its own paid family and medical leave law.

## Employer Next Steps

- This law will be phased in over the next two years, and employers may stay up to date with the [Maryland DOL](#) for any clarifications and additional guidance on the Paid Family Leave Program.
- Guidance is expected to be published from the Maryland DOL by June 1, 2023, which will provide further details on notice requirements.
- Employers should prepare their payroll systems and review their current policies and be ready to take action beginning October 1, 2023.
- If you are a Full-Service or Virtual HR client and would like our assistance with updating your policy, please [email us](#).

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