

Maryland paid family and medical leave

Overview

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A business of Marsh McLennan



Maryland PFML highlights

[Time to Care Act](#) (2022 Ch. 48, SB 275) became law April 9, 2022; most recently amended by [2024 Chs. 266](#) and [267](#) (SB 485 and HB 571) April 25, 2024.



Payroll tax begins July 2025.

- Contributions will be shared 50/50 by employers and employees.
- Combined contributions can't exceed 1.2% of wages (initial contribution rate is 0.9%).

Benefits begin July 2026.

- Up to 12 weeks per year for:
 - Employee's own serious health condition
 - Family member's serious health condition
 - Bonding with a new child in the first year after birth, foster or kinship care placement, or adoption
 - Caring for a service member who is next of kin and has a serious health condition caused by military service
 - Attending to a qualifying military exigency due to the military deployment of a family member
- **Another 12 weeks for an employee's serious health condition occurring in the same year as 12 weeks needed for child bonding**

Other notable elements

- **Small business exemption.** Employers with fewer than 15 employees are exempt from contributions; employees are required to contribute.
- **Wage replacement.** Benefit is up to 90% of employee's average weekly wages, capped at \$1,000 per week through 2026, adjusted annually thereafter.
- **Equivalent plans.** Approved private plans (insured, self-insured or a combination) are permitted.
- **Eligibility.** Employee must have 680 hours of employment in the four most recently completed calendar quarters before the leave begins.
- **Family member.** Family members include a child, parent, spouse, domestic partner, grandparent, grandchild or sibling.
- **Regulations.** Rules are expected before January 2024.

Covered employers

- All employers, including state and local government employers, with one or more employees working in Maryland
- Employers with fewer than 15 employees exempt from employer contributions

Covered employees

- All employees, including full-time, part-time and seasonal
- Opt-in election possible for self-employed



Premium contributions

Start date. Employer and employee contributions start July 1, 2025.

Contribution rate. The Maryland Department of Labor (MDOL) set the initial contribution rate at 0.9%; the rate cannot exceed 1.2% of wages (up to the Social Security maximum wage base).

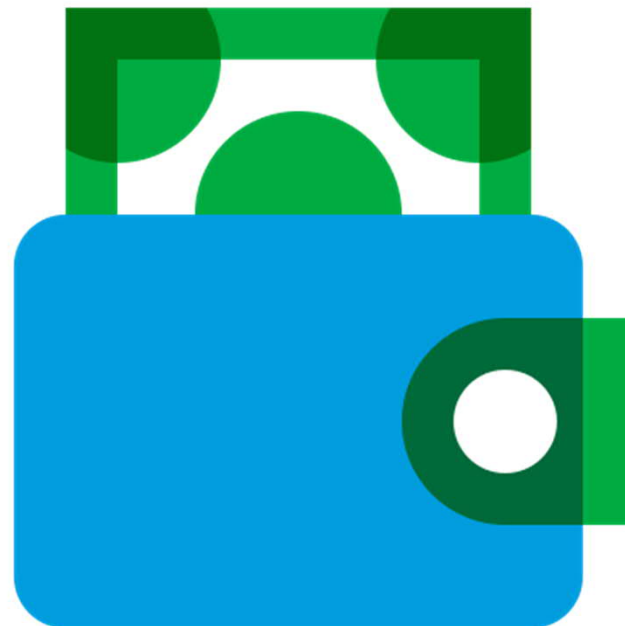
- Employers and employees will share the cost 50/50.
- The initial contribution rate will apply through June 30, 2026.
- The rate may be adjusted annually (by Feb. 1 to start on the following July 1).
- Employers with fewer than 15 employees do not have to contribute, but their employees must contribute.
- Certain licensed community health providers will be reimbursed some or all of the required employer contribution for select employees.



Wages

Wages are defined by statute, encompassing all compensation for personal services, including:

- Bonuses
- Commissions
- Tips
- Other non-cash compensation

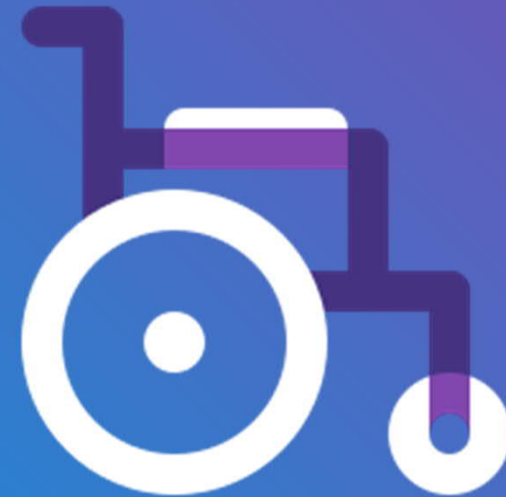


Note: Maryland’s wage and hour law (MD Code Lab. & Empl. [§ 3-501\(c\)](#)) defines wages differently: “Wage means all compensation ... due to an employee for employment ... including a bonus, a commission, a fringe benefit, overtime wages, or any other remuneration promised for service.”

Serious health condition

An illness, injury, impairment, or physical or mental condition that involves any of the following:

- Inpatient care in a hospital, hospice or residential healthcare facility
- Continued treatment by a licensed healthcare provider
- Continued treatment or supervision at home by a licensed healthcare provider or other competent individual under the supervision of a licensed healthcare provider



A serious health condition includes an illness, injury, impairment, or physical or mental condition that continues over an extended period of time and requires intermittent treatment.

Definition of family member

Spouse, domestic partner, child, parent, grandparent, grandchild or sibling

Child means a biological, adopted or foster child, stepchild, or legal ward of the covered individual; or a child for whom the covered individual stands *in loco parentis*, regardless of age.

Parent means a biological, adoptive, or foster parent, stepparent, or legal guardian of a covered individual or a covered individual's spouse; or a person who acted as parent or stood *in loco parentis* for the covered individual or the covered individual's spouse when the covered individual or the covered individual's spouse was a minor.

Grandparent / grandchild / sibling means biological, step-, adoptive, or foster grandparent, grandchild, or sibling of the covered individual.



Application year

12-month period beginning on the first Sunday of the calendar week for which benefits are approved.

Intermittent leave

Intermittent leave is available for all qualifying leave reasons.

- Increments must be at least four hours.
- Covered individual must make reasonable effort to schedule leave so as to avoid unduly disrupting the employer's operations.
- Covered individual must provide reasonable and practicable prior notice.



Benefit eligibility

Eligibility test. Individuals must have worked 680 hours in Maryland over the four most recently completed calendar quarters before the start of leave.

Financial eligibility. None are identified in the statute.

Waiting period. The statute does not impose a waiting period before benefits are paid.

Intermittent leave. All qualifying leaves can be taken intermittently in increments of four hours or longer.

Benefit limits

Weekly benefits. When benefits begin in 2026, the maximum weekly benefit will be \$1,000, and the minimum weekly benefit will be \$50. The maximum will be adjusted annually starting in 2027.

Disqualifications. Individuals receiving workers' compensation benefits (other than for permanent partial disability) or unemployment benefits are not eligible for MD PMFL benefits.

Reductions. Details are expected in future regulations.

Timing. Benefit payments are made within five business days of approval and every two weeks thereafter.

Wage replacement

The benefit amount depends on the **individual's average weekly wage (IAWW)** relative to the **state average weekly wage (SAWW)**.

- **Individual average weekly wage:** Total wages paid in the highest of the prior four calendar quarters ÷ 13
- **State average weekly wage:** Set by MDOL on or before Dec. 15 each year
- **Maximum weekly benefit:** \$1,000 in 2026; adjusted annually by the percentage growth in the Consumer Price Index for All Urban Consumers (CPI-U), Washington – Arlington – Alexandria area; by each Sept. 1, MDOL to announce maximum that will apply beginning on the next Jan. 1

IAWW	Weekly benefit
≤ 65% SAWW	90% IAWW
> 65% SAWW	[90% IAWW (up to 65% SAWW)] + [50% (IAWW - 65% SAWW)]*

* capped by the weekly benefit maximum

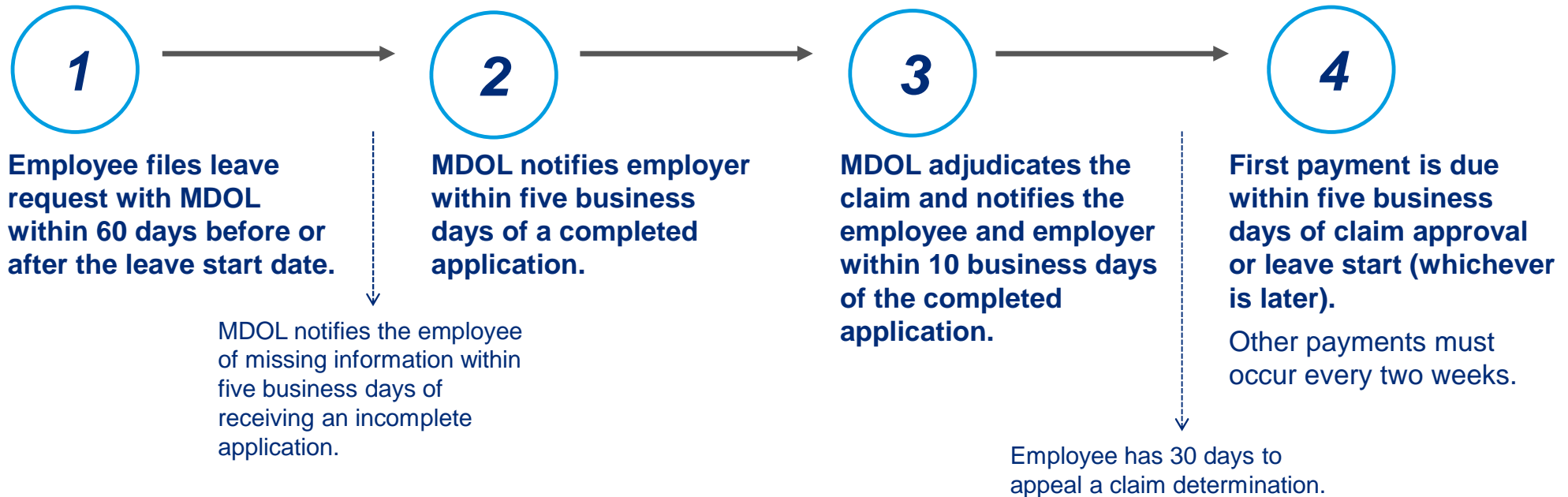


Federal Family and Medical Leave Act (FMLA) comparison

	MD PFML	Federal FMLA
Pay	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • No
Leave use	<ul style="list-style-type: none"> • Tend to employee's own disability • Care for a family member with a serious health condition • Bond with new child • Handle qualifying exigency related to active military duty • Care for next of kin who is a covered service member with a serious health condition 	<ul style="list-style-type: none"> • Tend to employee's own serious health condition • Care for family member with a serious health condition • Bond with new child • Handle qualifying exigency related to active military duty • Care for a family member who is a covered service member with a serious illness or injury
Eligibility	<ul style="list-style-type: none"> • 680 hours worked in Maryland in the four most recently completed calendar quarters 	<ul style="list-style-type: none"> • One year of service and 1,250 hours worked in the past 12 months
Job protection	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Yes
Leave duration	<ul style="list-style-type: none"> • Up to 12 weeks for all qualifying reasons, plus an additional 12 weeks if medical leave and child-bonding leave needed in the same year 	<ul style="list-style-type: none"> • Up to 12 weeks for most qualifying reasons • 26 weeks to care for a covered service member with a serious illness or injury (combined maximum of 26 weeks)
Who is a covered family member?	<ul style="list-style-type: none"> • Same as federal FMLA, plus domestic partners; parents of spouse; grandparents, grandchildren and siblings of covered individual 	<ul style="list-style-type: none"> • Spouse; biological, adoptive, step- or foster parent, or any other individual who stood in <i>loco parentis</i> to the employee when the employee was a child; biological, adopted, step-, or foster child, legal ward, or child of a person standing in <i>loco parentis</i> who is either younger than 18 or older than 17 and incapable of self-care because of a mental or physical disability

Claim application process

Employer can require 30 days' advance notice for a foreseeable leave. For unforeseeable leave, employees must provide notice as soon as practicable and generally comply with employer's notice requirements for other types of leave.



Note

- MDOL is [working](#) on regulations and other guidance on claim procedures.
- Regulations must be consistent with federal FMLA to the extent possible.

Claim substantiation

Employee obligations

Certification of a serious health condition must include:

- Date the leave is expected to begin and whether it will be continuous or intermittent
- Date the serious health condition began
- Probable duration of the leave
- Appropriate facts within the knowledge of the licensed healthcare provider

Additional requirements may apply, for example:

- Certification of a family member's serious health condition must have a statement indicating the covered individual needs to care for the family member and the estimated amount of time needed.
- Certification of an employee's serious health condition must contain a statement indicating the employee is unable to perform the functions of the position.
- Certification for intermittent leave must include the expected frequency and duration of the intermittent leave.



Coordination with other benefits

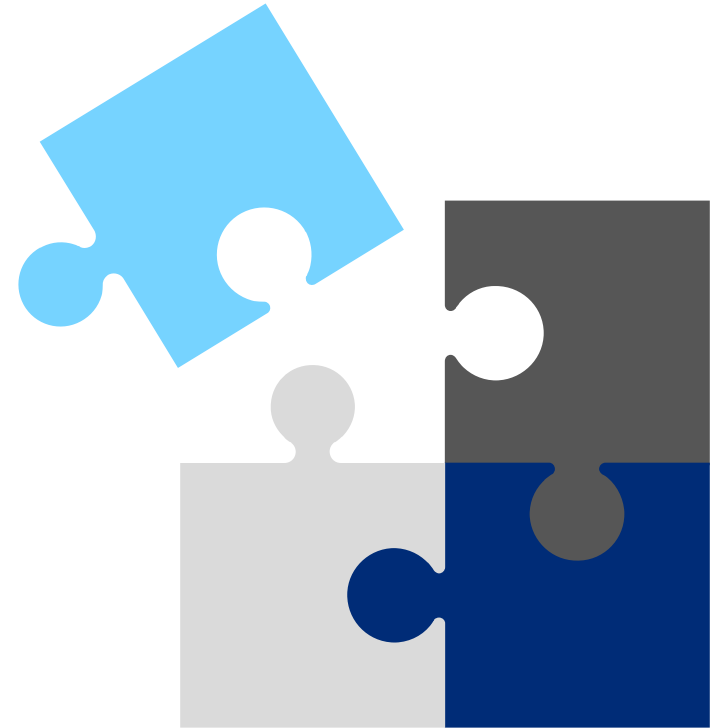
MD PFML and federal FMLA leave run concurrently. FMLA leave will count against an employee's total MD PFML allotment for the application year, even if the employee doesn't apply for benefits.

Employers cannot require employees to use or exhaust paid vacation, paid sick leave, or other paid time off (PTO) under an employer policy before or during MD PFML.

Employers and employees can, however, mutually agree to use paid vacation, paid sick leave, or other PTO to top off MD PFML benefits up to 100% of the employee's average weekly wage. This presumably includes time earned under Maryland's [Healthy Working Families Act](#).

- The Healthy Working Families Act requires employers with 15 or more Maryland employees to provide one hour of paid sick and safe leave for every 30 hours worked (up to a maximum of 40 hours per year). Smaller employers must provide the same amount of leave, but it can be unpaid.

Employers can require coordination of MD PFML with employer-provided parental, family, military or disability leave.



Taxes

If the Internal Revenue Service determines that MD PFML benefits are subject to federal income tax, when a covered individual files a claim, MDOL will notify the covered employee about the following:

- The benefits are subject to federal income tax.
- Requirements for estimated tax payments apply.
- The covered individual can elect to have federal income tax withheld from benefits received and change a previously elected withholding status.



Required employer notice

Covered employers must give employees written notice about their TTCA rights and duties at hire and annually thereafter.

When an employee requests leave, the employer must notify the employee with five business days of the request about the employee's eligibility for TTCA benefits, including:

- Right to receive benefits
- Procedure for filing a claim
- Employee's obligation to provide notice before the start of the leave and penalties for failing to do so
- Right to file a complaint
- Right to job protection
- Description of prohibited acts, penalties and complaint procedures

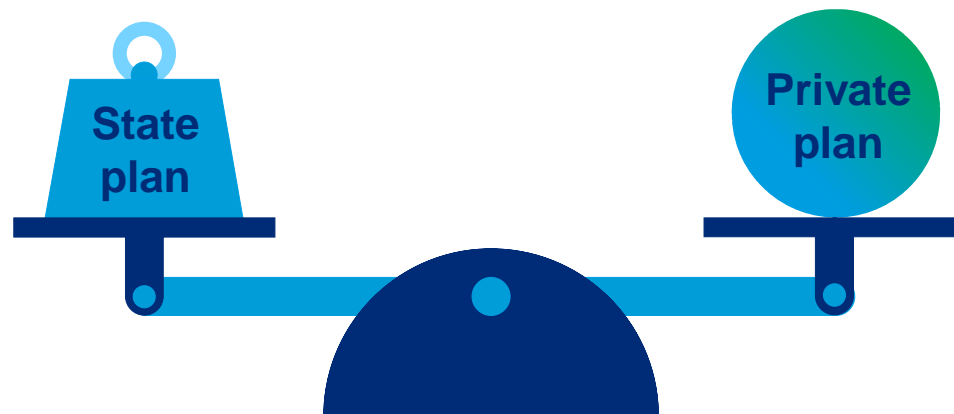
MDOL is expected to provide **standard notices**.



Equivalent private plans

Employers can satisfy TTCA requirements with a private plan consisting of employer-provided benefits, insurance, or a combination of both if the plan is offered to all eligible employees and meets or exceeds the TTCA's rights, protections, and benefits.

- MDOL must approve private plans.
- Employees may not be charged more than 50% of the contribution amount set by MDOL for the public option.
- Future regulations are expected to give more details.





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