Meet Your FAMLI

Maryland's Family and Medical Leave Insurance

June 17, 2026

Maryland
DEPARTMENT OF LABOR

Maryland FAMLI
FAMILY AND MEDICAL LEAVE INSURANCE

Agenda

1 **What is FAMLI?**

2 **How does FAMLI work?**

3 **What can you do now?**

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Maryland FAMLI FAMILY AND MEDICAL LEAVE INSURANCE

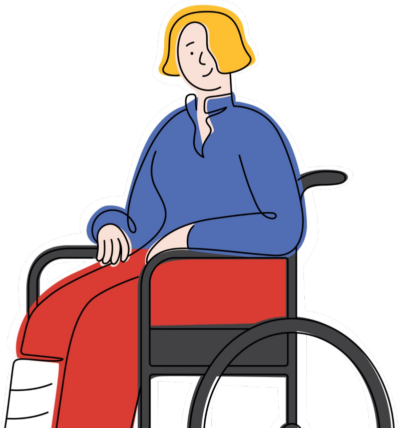
What is FAMLI?

Paid family and medical leave is coming to Maryland

Starting in 2028, the Maryland Family and Medical Leave Insurance (FAMLI) program will ensure employees are able to:

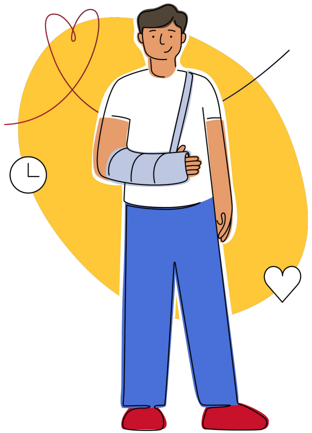
- **take time away from work;**
- **receive job protection;**
- **and earn up to $1,000 a week**

for up to 12 weeks continuously or on an intermittent basis.



Life events covered by FAMLI

Welcoming a child



The employee’s own serious health condition

Caring for a family member with a serious health condition

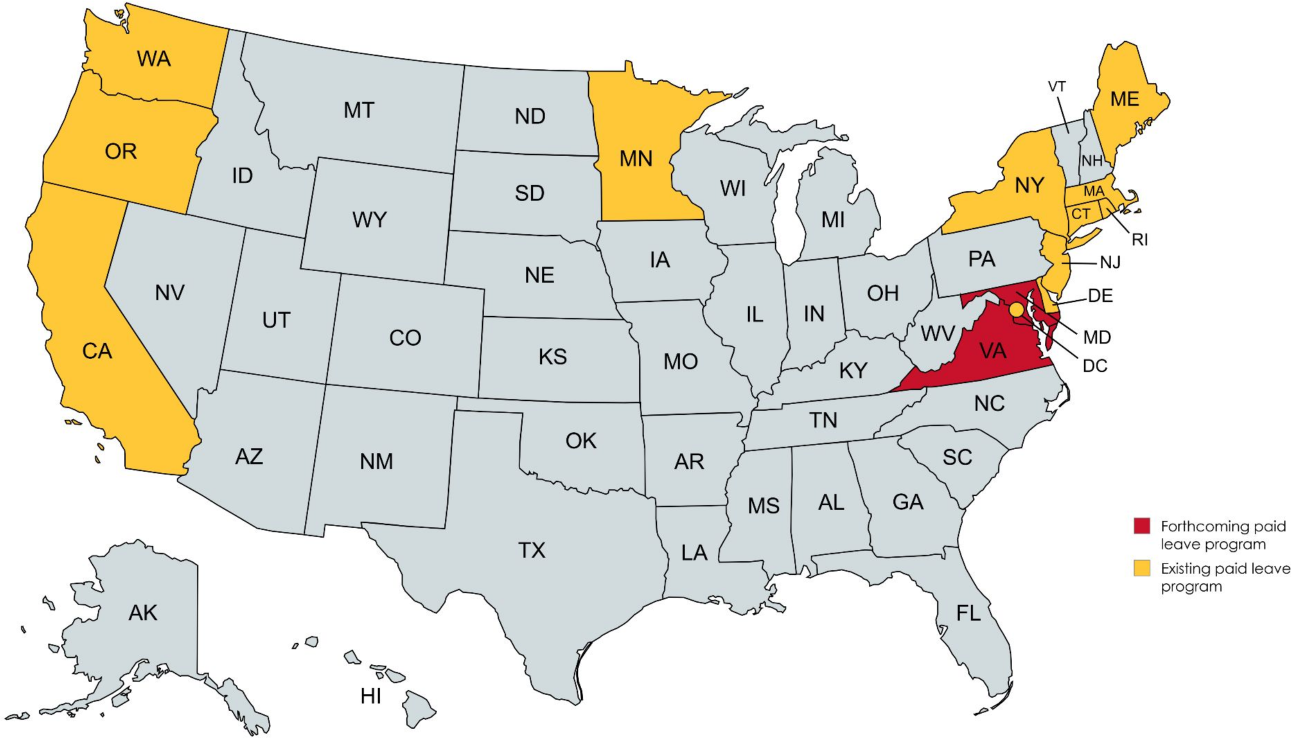
Preparing for a family member's deployment

Definition of family member

FAMLI defines "family member" as:

- **Your child**: includes biological, adopted, foster, stepchildren, or any child you care for legally or as a guardian—even if they're an adult.
- **Your parent**: includes biological, adoptive, foster, stepparents, or in-laws as well as anyone who acted as a parent to you or your spouse when you were a child.
- **Your spouse or domestic partner**.
- **Your sibling**: includes biological, adopted, foster, or step-siblings.
- **Your grandparent or grandchild**: includes biological, adopted, foster, or step-grandparents or grandchildren.
- **A legal guardian or ward**: someone you or your spouse are legally responsible for or who is legally responsible for you.

The bigger FAMLI portrait



How will FAMLI work?

Upcoming milestones

Registration Begins

September 2026

Withholding Begins

January 2027

First Quarterly Wage and Hour Reports & Contributions

April 2027

Benefits Begin

January 2028

How the program works

STEP 1

Employee contribution withheld

Employers are responsible for payroll deduction to collect worker contributions.

STEP 2

Employer files Quarterly Wage and Hour Report

Each quarter, employers must file a report with employee wages and hours worked.

STEP 3

Employer remits contribution

Each quarter the employer must pay FAMLI their contribution amount and the employee contribution amount.

STEP 4

Employee files claim

The employee will be able to file claims if they have worked for 680 hours in a Maryland-based job.

STEP 5

FAMLI checks hours and wages

Using the data in the Quarterly Wage and Hour Report, FAMLI will determine eligibility and benefit amount.

STEP 6

Employee receives benefits

FAMLI will pay the employee using funds collected through employer and worker contributions.

Localization rules

Work must be “localized” in Maryland for a worker to be eligible. Localization refers to where the work is physically performed, not where a worker lives.

The simplest way to know: If an employee is covered under Maryland’s Unemployment Insurance program, the employees’ work is localized in Maryland, and they are covered under FAMLI.

Common Scenarios:

- An employee works full-time in Maryland but lives in another state → **Covered under FAMLI**
- An employee lives in Maryland but works full-time in another state → **Not covered under FAMLI**
- An employee works remotely from another state for a Maryland-based employer → **Not covered under FAMLI**
- An employee works remotely from Maryland for an employer based in another state → **Covered under FAMLI**
- An employee works in multiple states for the same job → **Localization rules determine coverage**

Registration

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Employer participation

All employers — regardless of payroll size — will be required to provide their employees paid family and medical leave insurance.

There are no exemptions under state law.

If you have at least one employee in Maryland, you will be required to register at paidleave.maryland.gov starting September 1, 2026.

FAMLI has its own system. Registration with other State agencies does not transfer.

Who can register

- An **Authorized Officer** for the employer will need to be the person who registers.

  An Authorized Officer is a person who is legally permitted to act in an official capacity on behalf of an employer. This can include roles like owner, partner, executive director, C-Suite, president, secretary, household employer, or another designated individual with equivalent legal authority as specified by the employer bylaws.

- After an Authorized Officer registers, they will be able to invite **team members** to register and join their employer profile.

The role of Third-Party Agents (TPAs)

- Third-Party Agents (TPAs), including Certified Public Accountants (CPAs), payroll administrators, HR and/or benefits administrators, and other entities **cannot register on behalf of clients**.

- **Employers and TPAs must register themselves separately**.

- A TPA can send an invitation to their clients to sign a Power of Attorney and connect accounts.

- Only an Authorized Officer can sign the Power of Attorney.

- After that process is complete, TPAs can manage FAMLI tasks for their clients like submitting quarterly reports, remitting contributions, and responding to claims.

How to register

- As a first step, employers must first create an account with Login.gov.

  Login.gov allows users to create one login that can be used for multiple government websites. If you already have a Login.gov account, you do not need to create a new one.

- Employers will use their Login.gov credentials to log in to their FAMLI account
- Authorized Officers will be required to take an extra step and complete identity verification through Login.gov.
- After completing the Login.gov account creation, you will be directed through the FAMLI registration process

What information is needed to register

Employer information

- Employer Identification Number (EIN)
  - All sub-agencies and divisions with that same EIN will be registered together. FAMLI will only allow one registration per EIN.
- Legal name of the employer and “doing business as” (d/b/a) name
- NAICS code
- Physical business address
- Mailing address (if different from physical address)
- Business email address (distinct from the Authorized Officer’s email address)

Authorized Officer information

- Full name
- Job title
- Work email address
- Work phone number

Maryland Resident Agent information

- Name
- Physical address
- Email address
- Phone number

Contributions

Contribution rate

FAMLI will be funded through contributions from both employers and employees. The contribution rate is set annually by MD Labor though actuarial estimates.

- In April 2026, MD Labor announced a **0.9% contribution rate**.
- It can be split equally between employers and employees **(0.45% each)**.
- This rate will apply to wages paid from January 1, 2027 through December 31, 2027.

Employers can choose to pay the full contribution amount on behalf of their employees, but there may be tax implications. Employers should consult with a tax professional before making this decision.

Contribution structure for small employers

Small employers are required to provide FAMLI to their employees, and their employees are entitled to the same benefits.

The statute creates a different contribution structure for small employers. They are not required to pay the employer share of the contributions.

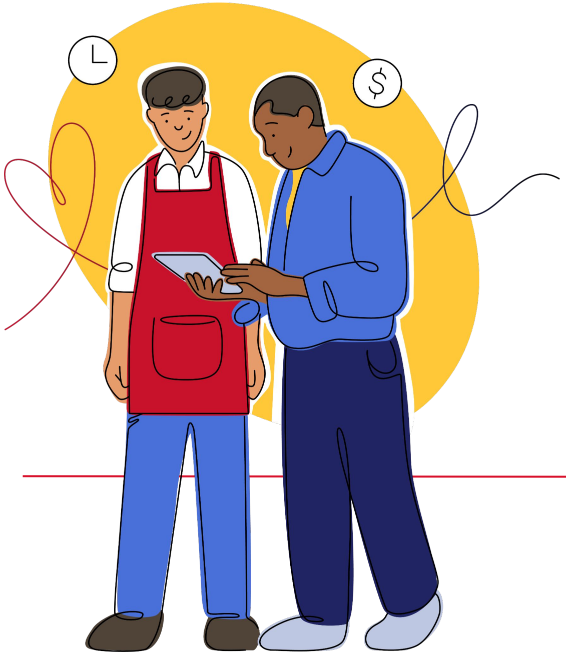
Employers with fewer than **15 total employees** (including those not localized in Maryland) are exempt from paying their share of contributions.

For the first year, employer size will be determined on a quarterly basis.

After the first year, determinations will be made on an annual basis.

Claims

Employee eligibility rules



Anyone who works **at least 680 hours** in a position localized in Maryland over the previous four reported calendar quarters with be eligible for benefits.

How much time a worker will receive

When benefits become available in 2028, 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.

If the employee experiences **their own serious health condition <u>and</u> welcomes a child in the same year**, they could be eligible for up to 12 weeks per event for a total of up to 24 weeks. While the two events could be related, they do not have to be.

How FAMLI will interact with employer provided time off

Employers can not require workers to use employer provided time off before or while using paid family and medical leave.

However, an employer and worker can agree to use employer provided time off to "top off" the FAMLI benefit.

Alternative FAMLI Purpose Leave

Some employers provide leave specifically designed to cover a FAMLI qualifying event, such as parental leave. The Division is referring to that leave as **Alternative FAMLI Purpose Leave (AFPL)**.

If you offer AFPL, you can require your employees to take AFPL concurrently with FAMLI leave.

Notification requirements

An employer will need to provide notice to employees:

- one pay period before payroll deductions begin,
- starting July 2027 (six months before benefits begin),
- when the employee is hired,
- once a year,
- when the employee requests leave using related terms such as “paid family and medical leave,” “parental leave,” “family leave,” or otherwise indicates they want to take leave under FAMLI, and
- when the employer knows the employee is taking leave for a qualifying reason

What happens when an employee files a claim

Employee files claim and MD Labor alerts employer

will take 5 days or less

Deadline for employer response. MD Labor processes complete claim

will take 10 days or less

Employee receives a response to claim

Total time: 15 days or less

Plan Options

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The State Plan

After registration, employers will be automatically enrolled into **the State Plan**, which will provide a seamless way to comply.

The State will:

- collect contributions;
- process claims; and
- issue benefits.

Private plans

- An employer 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. Commercial plans must also comply with the insurance code.
- The Department can set reasonable fees for employers seeking private coverage options. Employers can avoid the fee by participating in the State Plan.
- Employers with private plans will be required to submit quarterly wage and hour reports and claims data.

The State Plan

September 2026	January 2027	April 2027	Summer 2027	January 2028
Registration and Declaration of Intent (Sept. 1 - Nov. 15, 2026)	Begin keeping contributions in escrow account	First quarterly wage and hour reports	Apply for private plans	Benefits begin

Private Plan

The State Plan

	The State Plan	Private Plan
September 2026	Registration	Registration and Declaration of Intent (Sept. 1 - Nov. 15, 2026)
January 2027	Contributions begin	Begin keeping contributions in escrow account
April 2027	First quarterly payments and wage and hour reports	First quarterly wage and hour reports
Summer 2027		Apply for private plans
January 2028	Benefits begin	Benefits begin

Private Plan

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Employer responsibilities

Category	State Plan	Private plans
Register with the State	Required	Required
File Quarterly Wage and Hour Reports	Required	Required
Notify workers	Required	Required
Provide job protection	Required	Required
Remit quarterly contributions	Required	
File Declaration of Intent		Optional
Purchase private plan or self-insure		Required
File application and pay fee		Required
Submit quarterly claims data		Required

What can you do now?

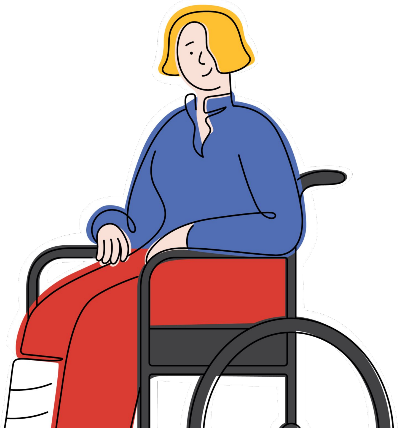
How you can prepare now

Sign up to receive emails from the FAMLI team by visiting **paidleave.maryland.gov**.

Begin including FAMLI contributions in future budget planning.

Start thinking about how your existing benefits may interact with FAMLI.

After registration, all employers will automatically be enrolled in the State Plan. You can think about whether you'd like to explore private plans.



Stay up to date

Contact our team at (410) 525-4010 or paid.leave@maryland.gov — we're here to help.

We hope you join us in making FAMLI a success in Maryland!

Q&A