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## SB 828: Family and Medical Leave Insurance Program - Modifications

Hearing of the Senate Finance Committee, March 2, 2023

### Position: Favorable

The Public Justice Center (PJC) is a not-for-profit civil rights and anti-poverty legal services organization which seeks to advance social justice, economic and racial equity, and fundamental human rights in Maryland. Our Workplace Justice Project works to expand and enforce the right of low-wage workers to receive an honest day's pay for an honest day's work. The PJC **supports SB 828**, which proposes certain modifications necessary for the Department of Labor to effectuate the Time to Care Act, a law passed last year creating a paid family and medical leave program. This year, legislation is needed to establish the contribution split between workers and employers that will fund the program's benefits and to clarify details regarding the program's implementation.

**Research from other states shows that the benefits of paid leave programs are manifold.** The ability to take time to bond with a new child or recover from a serious illness improves public health and decreases overall health care expenditures.<sup>1</sup> While all workers benefit from paid family and medical leave, the policy advances racial and gender equity because women of color are far more likely to lack employer-provided paid leave and therefore take unpaid leave or forgo needed time off. The policy thus builds economic security for all covered workers, but especially for workers of color.<sup>2</sup> Paid leave programs are also good for business: they improve worker retention, which saves employers money through reduced turnover costs; increase worker productivity, loyalty, and morale; and increase businesses' competitiveness in the global economy.<sup>3</sup>

**Because workers and employers alike reap the benefits of paid family and medical leave, they ought to evenly share the cost.** The PJC supports the sponsor amendment to SB 828 providing for a 50/50 contribution split between workers and their employers. This even split would allow for the cost

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<sup>1</sup> Paid Leave Works: Evidence from State Programs, National Partnership for Women and Families, Feb. 2022, <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/paid-leave-works-evidence-from-state-programs.pdf>.

<sup>2</sup> Paid Family and Medical Leave: A Racial Justice Issue – and Opportunity, National Partnership for Women and Families, Aug. 2018, <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/paid-family-and-medical-leave-racial-justice-issue-and-opportunity.pdf>.

<sup>3</sup> Paid Family and Medical Leave: Good for Business, National Partnership for Women and Families, Sept. 2018, <https://www.nationalpartnership.org/our-work/resources/economic-justice/paid-leave/paid-leave-good-for-business.pdf>.

of the Time to Care program to be borne equitably and affordably. The 50/50 split is in line with what most states that have recently passed paid leave programs do, including neighboring Delaware.

**SB 828 would make other necessary modifications to the Time to Care Act to assist with the implementation process and clarify some ambiguities.** These include:

- Extending the implementation timeline to give the Department of Labor more time to issue necessary regulations and set up the technology needed to operationalize the program;
- Requiring the Department of Labor to update the contribution rate on an annual basis to be responsive to the economy and other current events;
- Requiring the Department of Labor to submit annual reports of disaggregated data on the effectiveness of the program;
- Removing the requirement that workers exhaust all of their employer-provided leave before using the paid family and medical leave program;
- Providing workers the ability to appeal the amount or duration of benefits under the program;
- Clarifying that a worker cannot receive more than 100% of their wages if they are receiving paid leave benefits through another program while they receive benefits under the paid family and medical leave program; and
- Explicitly providing workers the opportunity to file claims *before* taking leave when the need for leave is foreseeable.

These changes are critical to the promise of the Time to Care Act. For the foregoing reasons, the PJC **SUPPORTS SB 828** with sponsor amendments and urges a **FAVORABLE** report. Should you have any questions, please call Lucy Zhou at 410-625-9409 ext. 245.