

MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SB0225

TO: Senate Finance Committee
FROM: Maryland Department of Labor
DATE: 4/4/2025
BILL: HB0102 Family and Medical Leave Insurance Program – Application Year and Participation of Self-Employed Individuals

MD Labor POSITION: SUPPORT

HB 102 provides the Family and Medical Leave Insurance (FAMLI) Division of the Maryland Department of Labor (MD Labor) with additional time to develop Maryland's paid family and medical leave system by moving the dates that contributions and benefits begin by 18 months.

HB 102 is a cross-file of SB 225. HB 102/SB 255 as introduced provided the MD Labor with additional flexibility to develop an opt-in election for self-employed individuals. HB 102 still accomplishes this goal, while also making other amendments, responding to a request from local governmental entities and providing MD Labor with additional time to implement the program overall.

MD Labor has been and will continue working diligently to respond in real-time to the cascading impacts of federal decisions, including providing support with unemployment insurance benefits and helping laid off workers find new employment. We know the impacts of these decisions will continue to increase, and our agency's resources need to be laser-focused on that effort. The federal transition has already affected MD Labor's ability to stay on track with FAMLI as planned. For instance, FAMLI had a contract with 18F, a group of digital technologists within the General Services Administration, to provide support to our digital build out. The elimination of 18F overnight left MD Labor without critical partners.

Marylanders deserve a paid family and medical leave program that is efficient, accessible and effective for generations to come. To deliver on that promise, we need to be able to dedicate due time, attention and resources to launching this new program. HB 102 accomplishes this goal.

For these reasons, MD Labor supports HB 102 which would extend the implementation timeline for the forthcoming paid family and medical leave insurance program by 18 months. MD Labor will continue diligently building and testing the digital and financial infrastructure for the program, so that FAMLI is fully prepared to meet the needs of Maryland workers, families, and employers on the new launch date and for generations to come.

Under this framework, the withholding period would begin on January 1, 2027 and benefits would begin on January 1, 2028. There are also a number of other conforming changes to reporting and announcement dates within the bill (See chart on page 3).

HB 102 also addresses a concern raised by local government entities. Section 2 is an uncodified provision that restricts the Departments ability to require public entities to escrow contributions during the seeding period (the time between contributions beginning and benefits beginning).

MD Labor respectfully requests a Favorable Report on HB 102.

For questions, please contact Andrew Fulginiti, at **Andrew.Fulginiti@maryland.gov**.

Date Change Amendments

Section	Item	Current Statute	Proposed Amendment	Annual Event
8.3-201	Self-employed individuals benefit start	July 1, 2026	Bill as introduced (regs by July 1, 2027) Amendment (regs by July 1, 2028)	
8.3-406(a)	Annual Report	November 1, 2024	October 1, 2025	Yes
8.3-601(a)(1)	Withholding	July 1, 2025	January 1, 2027	
8.3-601(b)(1)	Set initial rate of contribution	February 1, 2025	May 1, 2026	
8.3-601(b)(2)	Initial rate in effect	July 1, 2025- June 30, 2026	January 1, 2027 - December 31, 2027	
8.3-601(c)(1)	Ongoing Cost Analysis Done	November 15, 2026	October 1, 2027	Yes
8.3-601(c)(2)	Cost Analysis Shared with Leg	November 15, 2026	October 1, 2027	Yes
8.3-601(d)(1)	Set second and ongoing annual rates of contribution	February 1, 2026	November 1, 2027	Yes
8.3-601(d)(1)	Annual rate takes effect	July 1, 2026	January 1, 2028	Yes
8.3-701(a)(1)	Claims for Benefits begin	July 1, 2026	By January 3, 2028	
8.3-703(b)(3)	Time period initial maximum benefit is in effect	6 month period beginning 7/1/26	dates benefits begin until 12/31/28	
8.3-703(b)(3)	Annual adjustment	begins 1/1/27	begins 1/1/29	Yes