



To Lead, Advocate and Connect as the Voice of Business

Senate Bill 539 – Labor and Employment – Family and Medical Leave Insurance Program – Establishment

Finance Committee

February 27, 2020

OPPOSE

The Montgomery County Chamber of Commerce (MCCC), as the voice of Montgomery County business, **opposes Senate Bill 539**. House Bill 839 generally provides up to 12 weeks of benefits to an employee who is taking partially paid or unpaid leave 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 or adoption; to care for a family member with a serious health condition; because the employee has a health condition that results in their being unable to perform the functions of their job; to care for a service member who is the employee’s next of kin; or because the employee has an exigency arising out of the deployment of a service member who is a family member.

The bill establishes a Family & Medical Leave Insurance (FAMLI) Program. The FAMLI Fund, consists of contributions from employees, employers and self-employed individuals. Beginning January 1, 2021, each employee, employer and self-employed individual shall contribute to the fund. The total rate of contribution: 1) may not exceed 0.5% of an employee’s wages, 2) shall be applied to all wages up to and including the Social Security wage base, 3) shall be shared equally by employers and employees, and 4) shall be sufficient to fund the benefits payable.

There are any number of additional nuances and complexities outlined in the language, and MCCC is very concerned that the implementation of this legislation will result in additional costs and administrative burden to employers, specifically small businesses. Over the last four years, the General Assembly has passed legislation requiring (small) businesses provide paid sick leave and reach a minimum wage of \$15 by 2025. While both are important supports for employees and Maryland’s workforce, MCCC has concerns that the addition of an employer supported FAMLI requirement is too much, too soon. Businesses must be given time to absorb prior legislation and its impact to their bottom line.

For the aforementioned reasons, **the Chamber opposes Senate Bill 539 and respectfully urges an unfavorable report.**

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.

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