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BILL NO: House Bill 496  
TITLE: Labor and Employment – Family and Medical Leave Insurance Program –  
Establishment  
COMMITTEE: Economic Matters Committee  
HEARING DATE: February 15, 2022  
POSITION: **SUPPORT**

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The Women's Law Center of Maryland is dedicated to ensuring the physical safety, *the economic security*, and the autonomy of women throughout the State. One way we work towards this goal is by supporting systemic changes to our current economic policies and practices that disproportionately affect women. House Bill 496 would establish the Family and Medical Leave Insurance (FAMLI) Program. The bill's purpose is to provide income replacement during what would otherwise be unpaid leave taken under the Family and Medical Leave Act or for employees not entitled to benefits under that act. The bill would provide a continuity of income for persons needing to take time off to care for themselves, for a family member with a serious health condition, or for a newborn or newly placed adopted or foster child, or to take time needed for enumerated reasons related to a relative being deployed by the armed services.

This bill would create a structure for income replacement benefits similar to the well-established unemployment benefit system. It would contribute to the financial stability of Maryland workers and families, and because it spreads the risk of paying such benefits among all employers, it would tend to reduce discrimination against employees who themselves are, or who have family members who are, disabled, ill, injured, pregnant, or in the military. The funds will be sourced by contributions made equally by both employers and employees, for a shared contribution not to exceed up to .75% of wages. Those covered employees are then entitled to up to 90% of their average weekly salary during periods of qualified leave. Additionally, the bill provides an exemption for employers offering equal or greater benefits.

There are a few distinctions between HB 496 and a similar piece of legislation, House Bill 8 (the Time to Care Act). HB 496 exempts employers of business with fewer than 15 employees from paying into the fund. As a result, the rate cap is increased from 0.75% to 1.0%. Additionally, it permits general funds to be loaned to the Program to supplement contributions and provide funding for the administration of the fund. Significantly, however, in both bills, all employees, regardless of employer size, continue to contribute and be covered by the fund. This is the heart of paid family leave.

The Women's Law Center supports HB 496 because it furthers the purposes of the FMLA and the state laws extending similar protections, including the more recently enacted Pregnancy Leave Act. Many employees have been assisted by the passage of laws allowing them to take leave to care for their own or a close family member's serious health condition, or to care for a new child, without losing their job. Yet the ability to take leave is often accompanied by a reduction or elimination of the employee's regular wages. This is of particular concern to the Women's Law Center as women continue to be the primary caregivers for children and family members. Yet at the same time, the number of women entering the workforce has continued to grow. Unfortunately, while women now make up nearly half the workforce, and two-thirds of Maryland families have women as the sole, primary, or co-breadwinner, women are disproportionately represented in low-wage jobs. Indeed, while only 18% of workers in general are covered by paid leave, that number is reduced to 6% for low wage workers – the workers who can least afford to go without a paycheck. As such, it should not be surprising that 15% of working women who have a child without paid leave end up on public assistance. But this legislation would benefit the workforce as a whole, as women with paid leave are

70% more likely to return to work, thus saving employers time and money that would otherwise need to be spent on recruiting, hiring, and training new staff.

During the pandemic, women have been disproportionately forced out of the job market at unprecedented rates. This so-called she-cession has resulted in women, who are overrepresented in many of the sectors that have been hardest hit such as hospitality, leisure, restaurants, and education, accounting for as much as 83% of the jobs lost in those sectors.

It has been even more devastating for Black and Latina women, who make up a disproportionate percentage of workers in those sectors and who, not surprisingly, have experienced unemployment levels at an even higher rate than their white counterparts. During December of 2020, women accounted for all the net jobs lost in the entire country. Our hope was that as the economy rebuilt, that those losses would be addressed, but sadly, that is not the case. The most recent jobs report was incredibly optimistic - showing promising signs of recovery amid the ongoing pandemic and staffing shortages. Yet much of that growth was driven by men. New research from the National Women's Law Center shows that over one million men joined the labor force in January, compared to just 39,000 women. In other words, men have now recouped all of their job losses since the pandemic began, while women are struggling to catch up with nearly 1.1 million fewer women in the labor force now compared to February 2020.

Finally, the WLC is aware of proposed amendments that would permit leave to be taken for purposes of addressing the safety needs of survivors of intimate partner violence and sexual assault. This would bring the law in line with other laws, such as the Maryland Healthy Working Families Act. As a legal services provider representing survivors of intimate partner violence, we would wholeheartedly support such amendments as well.

To address the current economic crisis, and return the over a million women to our workforce, and our economy, the legislature must take action. HB 496 is a reasonable and modest effort that demonstrates Maryland's commitment to working families by helping to protect their health, stability and wellbeing, and will have an immediate positive impact on our economy. Therefore, the Women's Law Center urges a favorable report on House Bill 496.

*The Women's Law Center of Maryland is a private, non-profit legal services organization that serves as a leading voice for justice and fairness for women. It advocates for the rights of women through legal representation for individuals and statewide advocacy to achieve systemic change.*