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TESTIMONY ON HB 988 FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM - MODIFICATIONS

House Economic Matters Committee

March 7, 2023

SUPPORT

Maryland Rise strongly supports HB 988, which modifies the Family and Medical Leave Insurance (FAMLI) Program by specifying various aspects of programmatic implementation, administration, and the cost-sharing split.

Passing the Time to Care Act of 2022 last legislative session was a historic victory for all Marylanders - and it was just the first step in realizing Paid Family and Medical Leave in Maryland. The critical work to create and implement an accessible, equitable, and robust FAMLI program is the next major step in fulfilling the promise of the Time to Care Act of 2022, and the General Assembly still has a key role to play in this collective effort. Passing HB 988 will set important parameters for the FAMLI program, putting the program firmly on the path toward successful implementation.

Notably, HB 988 sets the contribution rate for the program with a cost-sharing split of 50% employees, 50% employers. This is fundamentally important, as it keeps the program affordable and equitable for employers and employees in Maryland. A 50/50 cost-sharing split is in line with most other states - including our neighboring state of Delaware - that have recently passed FAMLI laws.¹ Maryland has been praised for passing one of the strongest and most comprehensive FAMLI programs in the country, and the HB 988 creates a 50/50 cost-sharing split is of the utmost importance to ensure our program centers the needs of both employees and employers, continuing to set the bar as a national model.

HB 988 also adjusts the existing law by:

- Adding definitions to clarify what wages would be included for purposes of calculating the average weekly wage, that domestic partners are included under the definition of “family member,” and how an application year would be counted;

¹ A Better Balance. 2023. *Comparative Chart of Paid Family and Medical Leave Laws in the US.*
<https://www.abetterbalance.org/resources/paid-family-leave-laws-chart/>

- Adding language to better conform with FMLA the circumstances for which a covered employee can take leave when a child enters their home by specifying it must be the covered individual's child, and by allowing leave for the circumstances leading up to a kinship/foster/adoptive placement;
- Adding additional requirements for the certification that must be submitted to the Secretary for the purpose of leave including duration, frequency of intermittent leave, and standards for verifying next of kin;
- Requiring the Department to include disaggregated data in their annual report and specifying that only the public components of the program should be included in the report;
- Changing the Secretary's report on the solvency of the fund and the appropriate total rate of contribution to occur annually rather than biannually;
- Requiring the Secretary to set the contribution rate on an annual basis and adjust the timeline;
- Allowing the employer to pay the full amount or a portion of the employee contribution if they so choose;
- Mandating the state to pay the employer contribution for the Medicaid community and the employee contribution for those making under \$15/hour;
- Clarifying that an employee can apply for foreseeable leave in advance and sets deadlines for the application;
- Clarifying that when an event qualifies for both federal Family and Medical Leave and Paid Family Leave that the leaves run concurrently;
- Removing language requiring an employee to exhaust all employer-provided leave before availing themselves of the program, but allows employers and employees to agree that employer-provided leave is used in conjunction with Paid Family Leave to replace 100% of an employee's average weekly wage;
- Clarifying language about what happens if the maximum benefit is increased while an individual is receiving benefits;
- Setting standards for how a private plan will set a benefit amount;
- Specifying what a completed application is and the Department's notification requirements for both employees and employers; and
- Prohibiting an employer offering a private plan from charging an employee more than the public contribution.

Maryland Rise believes that passing HB 988 is critical in the effort to build a strong FAMILI program in Maryland. **Maryland Rise appreciates your consideration and strongly supports HB 988.**

For a full list of member organizations, visit: timetocare.net