



Senate Bill 355

Date: February 5, 2025

Committee: Senate Finance

Position: Favorable

Founded in 1968, the Maryland Chamber of Commerce (Maryland Chamber) is a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

Senate Bill 355 (SB 355) would delay the dates on which the payment of contributions and the submission of claims for benefits are to begin under the Paid Family and Medical Leave Insurance (FAMLI) program. As a result, SB 355 would provide the Maryland Department of Labor (MDoL) with additional time to ensure that the FAMLI program is adequately implemented.

The Maryland Chamber is concerned that MDoL has not had adequate time to prepare for implementation of the FAMLI program. In less than six months, employers will be required to begin making financial contributions to the FAMLI program, and employees will begin to see payments deducted from their paychecks, but regulations for the program have not yet been fully finalized. For example, MDoL is currently moving proposed regulations through the AELR process, and public comments regarding the critical dispute resolution process for the program are due on February 10th.

In November 2024, the Maryland Chamber offered public comments on another section of the FAMLI regulations that were generated through good faith feedback from business and HR professionals who will be required to regularly comply with the FAMLI program. **The Maryland Chamber's public comments in response to MDoL's proposed FAMLI regulations are attached to this letter.** The comments included, but are not limited to, good faith issues concerning:

- Clarification regarding whether contributions should be taken from severance pay.
- A determination of whether an out of state employee's work in Maryland is covered by the FAMLI program.
- MDoL's decision to place immediate and irrevocable liability on employers who mistakenly utilize the incorrect contribution rate.
- A process for allowing or approving private plans which may be self-insured (benefits and claims paid directly by the employer) but administered by an outside third-party entity (an insurance company).

The Maryland Chamber is concerned that implementation of the FAMLI program is being rushed to meet current statutory deadlines and that Maryland's employers and employees will suffer as a result. With an imminent deadline for payments to begin and many questions yet to be answered, the Maryland Chamber of Commerce respectfully requests a **Favorable Report** on **SB 355** to provide MDoL with additional time to prepare for implementation of the FAMLI program.

