

MDL7. HB0102_SB0225. FAMLI Written Testimony.pdf

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Position: FAV

MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SB0225

TO: Senate Finance Committee
FROM: Maryland Department of Labor
DATE: 1/29/2025
BILL: SB0225 Family and Medical Leave Insurance Program – Application Year and Participation of Self-Employed Individuals

MD Labor POSITION: SUPPORT

SB 225 provides the Family and Medical Leave Insurance (FAMLI) Division of the Maryland Department of Labor (MD Labor) with additional flexibility to develop an opt-in election for self-employed individuals. MD Labor urges a favorable report with sponsor amendments on SB 225.

Maryland is one of 14 states that either is in the process of or has implemented paid family and medical leave insurance. Many of the states that have implemented programs before Maryland have similar language in their statute that created an opt-in provision for self-employed individuals. Unfortunately, the approximate take up rate in those states is just under 2% with most states under 1%. (New York and Massachusetts skew the results with the highest rates at about 6% and 2.5% respectively.)¹

A major barrier to participation is that the structure of those programs (upon which the Maryland statute is modelled) is based on employees who receive regular wages and can rely on their employer to withhold. Self-employed individuals have neither. Through SB 225, MD Labor is requesting the ability to research and develop a

¹ Molly Weston Williamson, "Self-Employed Worker's Access to State Paid Leave Programs in 2024." Center for American Progress. Accessed at: <https://www.americanprogress.org/article/self-employed-workers-access-to-state-paid-leave-programs-in-2024/>.

program for self-employed individuals that would more effectively deliver paid leave benefits.

MD Labor has already convened two stakeholder workgroup sessions to discuss how a self-employed option could be developed that would incentivize participation, reduce the administrative burden for participants, promote equity, and protect the trust fund. SB 225 provides MD Labor with additional time and flexibility to continue those conversations and operationalize accordingly.

MD Labor is also proposing three amendments to SB 225. The first amendment would provide authority to the Comptroller to share tax information with the FAMLII Division of MD Labor. Sharing information would provide the Division with additional tools to detect fraud in employer and claimant submissions. We urge the adoption of the amendment.

The second sponsor amendment provides MD Labor with the ability to pay claimants more frequently than every two weeks, if it deems beneficial. Providing this additional flexibility would benefit claimants and provide flexibility to the Department and private plans to set an appropriate schedule for payments.

The third sponsor amendment creates an “anchor date” for eligibility and benefit determination dates. Under current law, claimants have a 120-day period to file a claim (60 days before leave begins until 60 days after). In order to accurately process a claim and timely calculate a benefit amount, it is essential to identify the date that claim determinations should be anchored to. MD Labor proposed in its amendment to set the “anchor date” as the earlier of when a claimant files a claim or when leave begins. Using this definition, MD Labor and private plans will be able to process claims and determine benefit amounts on claims that are filed during the 60-day period before leave begins.

MD Labor respectfully requests the Committee adopt a Favorable Report with sponsor amendments on SB 225.

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

SB 225_MD Center on Economic Poliy_c_FAV.pdf

Uploaded by: Kali Schumitz

Position: FAV

JANUARY 29, 2025

Paid Family and Medical Leave Program Should Remain Available to All Workers

Position Statement in support of Senate Bill 225

Given before the Finance Committee

The Maryland General Assembly adopted the Time to Care Act in 2022 to ensure workers can afford to take time off to care for a new child or a family member dealing with a serious illness. Once implemented, this program will provide significant benefits for families, communities, and Maryland's economy. In order for the program to be as successful as possible, it must be designed to meet the needs of all workers, including those who are self-employed. **The Maryland Center on Economic Policy supports Senate Bill 225 because it will allow the Department of Labor to craft regulations that better meet the unique needs of self-employed workers than the design outlined in the current statute.**

The thousands of Marylanders who are self-employed deserve to have access to the same Family and Medical Leave Insurance (FAMLI) program as those who work for an employer. The Small Business Administration estimates that there are nearly 560,000 businesses in the state with no employees.ⁱ However, the scope of self-employed workers represents a broad range of incomes and individual situations, from gig workers and home child care providers who may just barely be making ends meet and cannot afford unpaid time off to highly paid lawyers and consultants who may have more ability to cover their expenses when taking time away from work.

SB 225 will provide the Department with more flexibility to craft an effective FAMLI program that meets the needs of self-employed workers from all backgrounds. Based on the experiences of other states, which have generally seen low uptake of their FAMLI programs for self-employed workers, it is essential that Maryland's program does not create administrative or cost barriers that keep essential paid leave out of reach, particularly for self-employed workers with lower incomes.ⁱⁱ Mirroring the process for the employer-based program, as the original Time to Care legislation envisioned, will likely repeat the same results seen in other states.

If we want to foster broadly shared prosperity across our state, we should create a Maryland where workers can keep their jobs and their livelihoods while dealing with some of life's most significant events. If working Marylanders cannot take off from work to deal with important family matters without risking their economic stability, we are all worse off. Ensuring hardworking Marylanders – including those who are self-employed – have financial support and flexibility during their times of need is essential to a thriving Maryland.

For these reasons, the Maryland Center on Economic Policy respectfully requests that the Finance Committee make a favorable report on Senate Bill 225.

Equity Impact Analysis: Senate Bill 225

Bill summary

Senate Bill 225 removes specific guidance for the Family and Medical Leave Insurance program for self-employed workers from statute and instructs the Department of Labor to develop regulations and policies to govern such a program. It retains the requirement that self-employed workers have the ability to opt in to the state's FAMILI program.

Background

The 2022 Maryland Time to Care Act provides up to 12 weeks of job-protected paid family and medical leave insurance open to all people working in Maryland.

Equity Implications

Maryland's current lack of a paid family and medical leave guarantee as program implementation is finalized poses significant equity concerns:

- Sixteen percent of workers nationwide needed to take family or medical leave in the last two years but were unable to do so, according to a 2016 survey by the Pew Research Center. This group includes 19% of women, 23% of Latino workers, 26% of Black workers, and 30% of workers with less than \$30,000 in annual income.
- Workers with an unmet need for leave were more likely to cite inability to afford the lost income as a reason for taking no leave or less than they needed than any other factor (72% of those taking no leave, 69% of those taking less leave than they needed).
- Many workers who took a pay cut during their time off work dealt with the loss of income by dipping into savings intended for another purpose, cutting their leave short, taking on debt, or putting off paying bills.
- Research suggests that parents who take no leave, insufficient leave, or unpaid leave may face a higher risk of experiencing mental health problems; their children may face a higher risk of health problems or even death. Workers who face barriers to taking the leave they need—who are disproportionately workers of color or low-wage workers—are especially likely to face these risks.

While self-employed workers have more flexibility in their schedules and don't face the risks of job loss or retaliation that other workers face, many still could not afford to miss a significant period of work without pay.

More than half of small businesses in the state without employees are owned by people of color, according to the Small Business Administration.

Impact

Senate Bill 225 would **improve racial, gender, and economic equity** in Maryland if the resulting regulations result in a more effective FAMILI program for self-employed workers.

ⁱ 2024 Maryland Small Business Profile, U.S. Small Business Administration Office of Advocacy, <https://advocacy.sba.gov/wp-content/uploads/2024/11/Maryland.pdf>

ⁱⁱ Molly Weston Williamson, "Self-Employed Workers' Access to State Paid Leave Programs in 2023," Center for American Progress, August 2023, <https://www.americanprogress.org/article/self-employed-workers-access-to-state-paid-leave-programs-in-2023/>

Testimony Favorable AHA SB 225 Family and Medical

Uploaded by: Laura Hale

Position: FAV



January 26th, 2025

Testimony of Laura Hale

American Heart Association

Support SB 225 Family and Medical Leave Insurance Program – Application Year and Participation of Self-Employed Individuals

Dear Chair Beidle, Vice Chair Hayes and Honorable Finance Committee,

On behalf of the American Heart Association (AHA) and our 40 million volunteers and supporters, we thank you for the opportunity to offer our support of SB 225 Family and Medical Leave Insurance Program – Application Year and Participation of Self-Employed Individuals.

Now in our centennial year, the AHA is the nation's oldest and largest voluntary organization dedicated to fighting heart disease and stroke. Our mission is to be a relentless force for a world of longer, healthier lives, and central to that mission is our belief that care should be accessible, affordable, and equitable for all.

Access to PFML is vital to balancing health and wellness with financial stability when managing a serious personal health condition; caring for a family member with a serious health condition; or bonding with a new child after birth, adoption, or placement in foster care. Employers also benefit financially from PFML policies; PFML increases productivity, profits, retention, and employee morale. All of this remains true for those who are self-employed and the creation of this program creates even stronger safeguards for this subpopulation.

PFML is especially critical for the cardiovascular patients we represent, as it allows patients the time necessary to treat and recover from a cardiovascular event. For example, heart attacks often require at least four weeks of recovery time, with up to six months of follow-up medical appointments. Research shows approximately 50 percent of heart attack survivors return to work after four weeks and approximately 75 percent return to work after four months. The timeline laid out and allowing for multiple leaves is key in supporting families in Maryland.

Caregiving leave allows an employee to take paid time away from work to care for a family member during a recovery period. Benefits of paid caregiving leave include less stress for caregivers, greater financial security for families, decreased nursing home use, increased employee retention, and maintaining a productive workforce. Chronic stress is a predictor of cardiovascular mortality and morbidity, but evidence shows time off from work can reduce stress and its potential effect on the likelihood of developing cardiovascular disease. The Heart Association supports how strongly the caregiving leave is laid out in the regulation.

Parental leave also has a positive impact on cardiovascular health for children and parents. Infant mortality rates are inversely correlated with the duration of paid family leave.



Other health benefits of paid leave include fewer emergency room visits, fewer hospital readmissions for infants and birthing mothers, fewer low birthweight babies, and longer parental lifespan.

Nursing parents with access to paid leave are more likely to breastfeed their babies, which has been shown to improve heart health for both parent and child. Breastfeeding can reduce the nursing parent's risk of developing heart disease or stroke later in life by about ten percent. Children who were breastfed have lower blood pressure than those who were not.

The AHA supports efforts to expand comprehensive and accessible PFML policies that cover workers and address medical leave, caregiving leave, and parental leave. To allow workers to take full advantage of paid leave, these policies must guarantee: adequate time off to meet workers' needs, sufficient wage replacement, job protections, and antiretaliation protections. The outline provided by Maryland holds to such goals and we fully support the outlined regulations.

The American Heart Association urges a favorable report on SB 225.

Sincerely,

A handwritten signature in black ink that reads "L. Hale".

Laura Hale
Director of Government Relations
laura.hale@heart.org

TTC - SB 225 - FAMLI Self-Employed - Fav.docx.pdf

Uploaded by: Lisa Klingenmaier

Position: FAV



TESTIMONY ON SB 225 FAMILY AND MEDICAL LEAVE INSURANCE PROGRAM – APPLICATION YEAR AND PARTICIPATION OF SELF-EMPLOYED INDIVIDUALS

Senate Finance Committee

January 29, 2025

Submitted by Lisa Klingenmaier, Manager of the Time to Care Coalition

The Time to Care Coalition is a statewide coalition of nearly 2,000 organizations and individuals - including non-profits, faith communities, unions, and businesses - working since 2016 to establish a comprehensive paid family and medical leave program in Maryland.

The Time to Care Coalition supports SB 225, which requires the Maryland Department of Labor (DOL) to draft and adopt regulations to establish an optional self-employed enrollment program in the state's Family and Medical Leave Insurance (FAMLI) program, and specifies that an application year for FAMLI program is established when a period of leave under FAMLI begins.

The Time to Care Coalition has championed a FAMLI program that follows our five key principles:

- Be cost-effective for workers, employers, and the government;
- Cover all working people and apply equally to all working people;
- Reflect an inclusive definition of family and include the well-established reasons people need paid family and medical leave;
- Provide up to 12 weeks of leave and replace a substantial share of workers' usual wages; and
- Protect workers against adverse consequences for taking leave.

Passing the Time to Care Act in 2022 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 implement and administer an accessible, equitable, and robust FAMLI program is the next major step in fulfilling the promise of the Act. We are excited by the work of the FAMLI Division at DOL, and passing SB 225 gives the Department time to adopt important regulations that will both streamline participation in the self-employed enrollment program and make the program easier for the DOL to administer.

The Time to Care Coalition represents the millions of Marylanders who have fought for access to paid leave, and we are eager to realize the full implementation of the FAMLI program, including for self-employed individuals, an important constituency that not all states with paid leave allow to opt into their programs. As the mechanics of creating the opt-in provisions for self-employed individuals requires the Department to draft additional regulations, the Coalition supports the aims of SB 225.

The Time to Care Coalition appreciates your consideration and strongly supports SB 225.

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

For further information, contact Lisa Klingenmaier at lklingenmaier@marylandfamilynetwork.org

Testimony in support of SB0225 - Family and Medica

Uploaded by: Richard KAP Kaplowitz

Position: FAV

SB0225_RichardKaplowitz_FAV
1/29/2025

Richard Keith Kaplowitz
Frederick, MD 21703

TESTIMONY ON SB#0225 - FAVORABLE

Family and Medical Leave Insurance Program – Application Year and Participation of Self-Employed Individuals

TO: Chair Beidle, Vice Chair Hayes, and members of the Finance Committee

FROM: Richard Keith Kaplowitz

My name is Richard K. Kaplowitz. I am a resident of District 3, Frederick County. I am submitting this testimony in support of SB#0225, **Family and Medical Leave Insurance Program – Application Year and Participation of Self-Employed Individuals**

Maryland's Family and Medical Leave Insurance (FAMLI) program provides most Maryland employees with up to twelve weeks of paid leave, with some eligible for an additional twelve weeks, starting July 1, 2026, funded by contributions from both employers and employees beginning July 1, 2025.¹ Under the FAMLI program, employees in Maryland will be eligible for paid leave for various family and medical reasons, and if they take leave for their own medical reasons, they will be eligible for an additional twelve weeks for parental bonding purposes.

However, this bill contemplates that self-employed individuals may also need Paid Family Medical Leave benefits for the same reason as employees of a business. It will accomplish this goal of providing PFML benefits to self-employed individuals by requiring the Maryland Department of Labor to adopt regulations establishing an optional self-employed enrollment program governing the participation of self-employed individuals in the Family and Medical Leave Insurance Program. To facilitate participation it repeals certain requirements related to the payment of contributions to the Program by participating self-employed individuals. It further makes this extension of benefits to self-employed people through excluding participating self-employed individuals from certain provisions of law governing the payment of benefits under the Program.

I respectfully urge this committee to return a favorable report on SB#0225.

¹ <https://ogletree.com/insights-resources/blog-posts/marylands-famli-program-part-i-an-overview-of-the-law/#:~:text=Maryland's%20Family%20and%20Medical%20Leave,employees%20beginning%20July%201%2C%202025.>

SB 225 FamMedLeaveIns.FAV.AARP.pdf

Uploaded by: Tammy Bresnahan

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**SB 225 Family and Medical Leave Insurance Program - Application Year and
Participation of Self-Employed Individuals
Senate Finance Committee
January 29, 2025**

Good afternoon, Chair Beidle and Members of the Committee Senate Finance Committee. I am Tammy Bresnahan; I am the Senior Director of Advocacy for AARP Maryland. Thank you for the opportunity to testify in strong support of Senate Bill 225, which enhances the Family and Medical Leave Insurance Program by providing self-employed individuals with an equitable opportunity to participate in this critical safety net.

SB 225 recognizes the realities of Maryland's evolving workforce, where self-employed individuals—including freelancers, gig workers, independent contractors, and small business owners—play an essential role in our economy. These workers, however, often lack access to paid family and medical leave, placing them at significant financial risk in the face of life's inevitable challenges, such as welcoming a child, caring for a sick loved one, or addressing their own serious health conditions.

By allowing the Maryland Department of Labor to establish regulations for an optional self-employed enrollment program, SB 225 removes existing barriers to participation and creates a more inclusive and streamlined pathway for self-employed workers to access benefits. Specifically, this legislation:

1. **Clarifies Contribution Requirements:** SB 225 simplifies the process for self-employed individuals to contribute to the Family and Medical Leave Insurance Program, removing overly burdensome requirements that may have discouraged participation.
2. **Ensures Equitable Access to Benefits:** By adjusting provisions related to benefit payments for participating self-employed individuals, the bill ensures that these workers can fully utilize the program without encountering unnecessary administrative hurdles.
3. **Promotes Economic Security:** Access to paid leave is a proven strategy for promoting economic stability for workers and their families, reducing reliance on public assistance programs, and fostering healthier and more resilient communities.

The implementation of SB 225 will not only strengthen the Family and Medical Leave Insurance Program but also reinforce Maryland's commitment to supporting Maryland's workforce. As our state continues to attract and retain talent in innovative sectors, it is vital that we ensure self-employed individuals are not left behind in accessing the benefits they need to thrive.

For these reasons, I respectfully urge a favorable report on SB 225. Thank you for your consideration, and I am happy to answer any questions you may have. If you have questions or

need to follow up with me, please contact me at tbresnahan@aarpp.org or by calling 410-302-8451.