

Maryland Legislature Passes the Time to Care Act, Overriding Governor's Veto

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Maryland has now joined a minority of states obligating employers to contribute to a program providing paid family and medical leave to its workforce. Beginning on October 1, 2023, businesses with 15 or more employees will be required to contribute to the Family Medical Leave Insurance (FAMLI) Program, with the goal of making benefits available to eligible employees through the Maryland Department of Labor by January 1, 2024.

The bill approved by the Maryland House of Representatives provided for a maximum total contribution of 0.75% of covered employees' average weekly wages, with up to 75% funded by payroll deductions and at least 25% borne by the employer. The final version of the bill tasks the Maryland secretary of labor with establishing mandatory rates of contribution no later than June 1, 2023.

Senate Bill 275 significantly expands the benefits afforded by the Maryland Healthy Working Families Act, which requires businesses with at least 15 employees to provide a minimum of 40 hours of paid sick and safe leave per year. The bill largely mirrors the federal Family and Medical Leave Act (FMLA), with the following notable exceptions:

- Employees who have worked at least 680 hours in a 12-month period may be eligible for up to 12 weeks of leave (and, in limited circumstances, up to 24 weeks' leave) to care for a new child or themselves or a family member with a serious health condition or to manage the effects of military deployment.
- Eligible employees will receive between 50-90% of their weekly wages, up to a maximum of \$1,000, during leave under the new law.
- Employees must exhaust any available paid time off accrued prior to receiving FAMLI benefits.
- While the federal FMLA only guarantees the degree of job protection to which an individual would be entitled if they had not taken leave, the Time to Care Act prohibits employers from terminating any employee on protected leave **without cause**, unless an employer would otherwise suffer "substantial and grievous economic injury."

Community-based providers and employers that satisfy the requirements of the Time to Care Act through privately administered benefit plans may qualify for an exemption from the contribution requirement. However, businesses with 15 or more employees should stay tuned for the program requirements expected from the Maryland Department of Labor by June 1, 2023.

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