



# Time to Care FAQs

SB 539 / HB 839 "Labor and Employment - Family and Medical Leave Insurance Program - Establishment"

## Why do we need Paid Family Leave?

The U.S. is the only industrialized country that does not guarantee some form of paid family leave for workers, forcing many to choose between the job they need and the family they love when critical needs arise. Time to Care would allow workers to care for a new child, an ill or disabled family member, family needs related to a service member's deployment, or their own serious health condition.

## Who would be covered by paid family and medical leave?

Employees at companies of any size would be eligible for paid family and medical leave. Self-employed individuals could opt-in to the program. To be eligible for benefits, employees must work at least 680 hours over the 12-month period immediately preceding taking leave. This time can be with one or multiple employers.

## Would the Time to Care Act establish a state administered insurance fund?

Yes. The Time to Care Act would establish a Family and Medical Leave Insurance (FAMLI) Program that would make paid leave available to Maryland workers. The leave would be funded through a state-administered insurance pool into which employers and employees contribute.

## Who would administer the FAMLI program, and won't that cost taxpayers a lot of money?

The Department of Labor would administer the FAMLI program. If the State incurs start-up costs, the State will be reimbursed by the insurance fund. The ongoing cost of administering the program would be borne by the fund.

## How much of their weekly earnings would a Marylander receive while out on leave?

Wage replacement benefits are drawn from a fund pool into which employers and employees will make a mandatory 50/50 contribution. The benefit structure is intended to be "progressive," in the sense that low-income workers will receive a higher proportion of their weekly wage in order to make taking leave viable. When taking paid leave, low-income employees will receive up to 90 percent of their weekly pay. At higher income levels, employees receive 50% of their weekly pay. The partial wage replacement will range from a minimum of \$50 per week to a maximum of \$1,000 per week, for a maximum period of 12 weeks.



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## Won't this cost too much to employers and employees?

Employers and employees will contribute a small amount from each paycheck. Based on Maryland workers' average weekly wage (approximately \$1150), workers and employers would each contribute just \$3.99 (for a total of \$7.98) under the maximum contribution rate allowed under the legislation (0.7%). Low-income workers and their employers would contribute significantly less.

## Is this the same as FMLA? How are they different?

No. The Family and Medical Leave Act is a federal law that provides job-protected, unpaid leave from work to care for certain family members and one's own serious medical reasons. The most significant differences are that FMLA applies only to businesses that employ 50 or more employees, and the leave is unpaid. Paid family leave would provide partial wage replacement to leave takers.

## Is this the same as sick days?

No. Paid family and medical leave is for longer-term absences from work, whereas sick leave is used for short illnesses. Maryland's Healthy Working Families Act requires that Maryland employers with 15 or more employees provide up to 40 hours of annual paid sick leave to eligible employees, and employers with 14 or fewer employees must provide up to 40 hours of unpaid annual sick/safe leave to eligible employees.

## Will a leave-taker's job be protected?

Yes.

## Can leave be taken intermittently to cover applicable treatment needs?

Yes.

## Do other states have programs like this?

Yes. Eight states and the District of Columbia have paid family and medical leave laws.

## Have other states experienced fraud or abuse of similar programs, as some employers feared?

Not to a significant degree. Evidence from California, New Jersey, and Rhode Island—states with longstanding programs—indicates that abuse of paid leave is rare.

## How will paid family and medical leave impact businesses?

According to the Harvard Business Review, a majority of the most successful companies report that exemplary benefit programs like paid family leave strengthen employee loyalty and morale. In business surveys from California and New Jersey, overwhelming majorities of employers have reported that providing paid family leave has either a positive effect or no discernible negative effect on profitability. For small employers who might otherwise be unable to afford paid family and medical leave, this policy levels the playing field and allows them to compete with larger businesses in recruiting and retaining a stellar workforce.

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## Isn't there a national Paid Family Leave program?

No. Only 17% of U.S. workers have access to paid family leave. Federal workers were recently granted paid parental leave as part of the National Defense Authorization Act, but that does not cover the general population or the broad spectrum of care-giving needs.

## What if my employer already offers paid family and medical leave?

Employers who offer a paid family and medical leave benefit equal to or better than the State's Time to Care plan may apply for approval to continue meeting their obligations through a private plan. Private plans must provide the same rights, protections, and benefits to all employees as the State plan.

## Where can I find more information?

More information about Time to Care is available at [TimeToCare.net](https://timetocare.net).