Feb. 19, 2024 Issue 4

More Time for the Time to Care Act?

Since the Time to Care Act was originally passed in 2022 (after the General Assembly overrode then-Governor Larry Hogan's veto), employers have been anxiously awaiting final regulations from the Maryland Department of Labor (MDOL) that would implement the Act. Employers have also been planning for the beginning of required payroll tax contributions to support the Act's paid leave benefits for employees.

The originally contemplated dates for implementation of the Act had already been pushed back to the following to give regulators and employers more time: deadline for the adoption of regulations (January 1, 2024), beginning date of contributions (October 1, 2024), and the opening date for employees to receive benefits (January 1, 2026).

What timeline is currently being proposed for implementation of the Act?
Legislation is currently before the General Assembly (H.B. 571/S.B. 485) that would further extend the timing for implementation of the Act, with payroll contributions to begin July 1, 2025 and employee benefits to begin July 1, 2026. As to the regulations, MDOL expects to release them sometime early this year. In addition to developing the regulations, MDOL is developing an online portal to administer the Act.

A refresher on the Time to Care Act
Also called the Maryland Family and Medical Leave Insurance Program, the Act establishes a state-run insurance fund, supported by employer and employee payroll contributions, to provide 12 weeks of paid family and medical leave to Maryland employees missing work for qualifying events (welcoming a child, serious health conditions of the employee or family members, and military deployment). The Act also allows employers to provide equivalent benefits to the state fund through participation in private employer plans (whether a self-administered employer-provided plan or through a third-party plan). To qualify for paid leave, an individual must have worked at least 680 hours over the prior 12-month period immediately preceding the leave. Presently, employers in various industries are planning or forming collaborative third-party plans to lessen the administrative and financial burdens of the Act.

Human Resources professionals should work with counsel and benefits consultants to plan for and determine the best approach to implementation (state-fund or private-plan), even as the newness of the Act, lack of regulations, and the unreleased portal create significant uncertainty for employers. The additional extension of time contemplated by the General Assembly would certainly be welcome.

**This client alert is for informational purposes and is not legal advice.*

This Monday morning would be a great time to consider your approach to the Time to Care Act. If you have any questions, **please contact our employment practice team members**.

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