

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

Senate Bill 785

(Senator Ready)

Finance

Economic Matters

Labor and Employment - Unpaid Parental Leave - Definition of Employer

This bill alters the definition of “employer” under the Maryland Parental Leave Act to exclude employers who are covered by the federal Family and Medical Leave Act (FMLA) for the current calendar year. Thus, these employers are not required to provide employees up to six weeks of unpaid parental leave and maintain existing coverage for a group health plan during that time under the Maryland Parental Leave Act (as they would be covered under the federal FMLA).

Fiscal Summary

State Effect: None. The Maryland Department of Labor can implement the bill with existing resources. The bill does not apply to the State as an employer.

Local Effect: None. The bill does not apply to local governments as employers.

Small Business Effect: Minimal.

Analysis

Current Law: Chapters 333 and 334 of 2014 established the Maryland Parental Leave Act. In Maryland, employers with 15 to 49 employees in the State for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year are required to provide employees with unpaid parental leave benefits. An eligible employee may take unpaid parental leave up to a total of six weeks in a 12-month period for the birth, adoption, or foster placement of a child. During parental leave, the employer must maintain existing coverage for a group health plan and, in specified circumstances, may recover the premium if the employee fails to return to work. To be eligible for the

unpaid parental leave, an employee must have worked for the employer for at least one year and for 1,250 hours in the previous 12 months. The Act does not apply to the State and local governments as employers.

Federal Family and Medical Leave Act

A private-sector employer is covered by the FMLA if it employs 50 or more employees in 20 or more workweeks in the current or previous calendar year. An employee is considered to be employed each working day of the calendar week if the employee works any part of the week.

FMLA generally requires covered employers to provide eligible employees with up to 12 work weeks of unpaid leave during any 12-month period for qualifying family and medical reasons (including for the birth, adoption, or foster placement of a child) and requires continuation of their group health benefits under the same conditions as if they had not taken leave. FMLA leave may be unpaid or used at the same time as employer-provided paid leave. Employees must be restored to the same or virtually identical position when they return to work after FMLA leave.

Eligible employees are individuals employed by a covered employer who have been employed for at least 12 months, have at least 1,250 hours of service with the employer during the 12 months before their FMLA leave starts, and work at a location where the employer has at least 50 employees within 75 miles.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1340 (Delegate Rose, *et al.*) - Economic Matters.

Information Source(s): Maryland Department of Labor; U.S Department of Labor; Department of Legislative Services

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