



Takoma Park City Council Meeting – September 21, 2022 Agenda Item 4

Work Session

Presentation on State and County laws regarding paid parental leave

Recommended Council Action

Receive presentation from State and County representatives on the implementation of the new policy and laws on paid parental leave

Context with Key Issues

Pursuant to Takoma Park Municipal Code Section 2.04.030, the procedure for resident(s) requests for placing items on the Council agenda. A resident had requested a work session on paid parental leave and the administrative presentation report is being provided to the City Council. The presenters before the City Council will be Christine Wellons, Senior Legislative Attorney with the Office of the Montgomery County Council, Regan Vaughan, Director of Advocacy at Catholic Charities of Baltimore, and Ann Ciekot, with Public Policy Partners.

The State of Maryland established the Family and Medical Leave Insurance Program during the last session in 2022. Senate Bill 275, established the Family and Medical Leave Insurance Program within the Maryland Department of Labor. The Family and Medical Leave Insurance Program provides benefits to individuals who take leave from employment for certain purposes; established the Family and Medical Leave Insurance Fund; requiring, beginning October 1, 2023, certain employees, employers, and self-employed individuals to contribute to the Fund; further required the Maryland Secretary of Labor to establish the total rate of contribution and the percentages of the total rate of contribution to be paid by certain employees and employers statewide. The benefits of the act offer up to 12 weeks of paid time off per year to care for a new child (birth, adoption, fostered) for the first year after birth or placement and the leave is concurrent with FMLA leave.

What Dates Should Employers Keep in Mind?

- The Maryland Family and Medical Leave Insurance Program (the “Law” or the “Program”) is effective January 1, 2023.
- The Maryland Secretary of Labor has been tasked with adopting regulations for the Fund by June 1, 2023.
- Employees, employers with 15 or more employees, and self-employed individuals will begin contributing to the Fund on October 1, 2023.
- As of January 1, 2025, employees taking leave under the Act will receive partial wage replacement from \$50 to \$1,000 per week, depending on their regular rate of pay.

Employers may be eligible for an exemption under the Act if they can establish that they offer eligible employees with benefits and/or insurance that meets or exceeds the benefits and protections under the Act. Employers will be required to submit their plan for review and approval from the Maryland Department of Labor, Licensing and Regulation (DLLR).

Effective November 7, 2022, Montgomery County's Paid Parental Leave law, Bill 10-22, goes into effect for County employees. The law requires the County to provide paid parental leave to County employees prior to the effective date of the State Family and Medical Leave Insurance Program and pay an employee's salary, minus benefits under the State Family and Medical Leave Insurance Program, for certain leave taken under the State Family and Medical Leave Insurance Program.

Prior to Senate Bill 275, the County must provide paid parental leave to part- and full-time County employees who have been in a County merit system position for at least six (6) consecutive months and are the parent of a newborn child, a stillborn child, a newly adopted child, or a newly placed foster child. The paid parental leave consists of 240 hours within a 12 months period for an employee scheduled to work 40 hours per week, or a prorated amount for employees scheduled to work more or less than 40 hours per week. The leave must be used within 12 months of the qualifying event. During the paid leave period, the County must pay employees their full salary and receive employee insurance benefits and retirement benefits. Paid parental leave is separate from other leave and must be taken concurrently with FMLA leave. Employees are not required to exhaust other leave prior to taking parental leave under the law. The Council bill must not be construed to diminish any rights under a collective bargaining agreement.

Once Senate Bill 275 becomes effective, the County must pay an employee on parental leave under the Family and Medical Leave Insurance Program the employee's County salary, reduced by the amount of any benefit the employee is entitled to receive for the leave under the Family and Medical Leave Insurance Program. The payments are to compensate up to 240 hours of parental Family and Medical Leave within a 12-month period for an employee scheduled to work 40 hours per week, and prorated for an employee schedule to work more or less than 40 hours per week. During the paid leave period, the employees must receive employee insurance benefits and retirement benefits. Paid parental leave is separate from other leave and must be taken concurrently with FMLA leave. Employees are not required to exhaust other leave prior to taking parental leave under the law. The Council bill must not be construed to diminish any rights under a collective bargaining agreement.

Council Priority

An Engaged, Responsive & Service-oriented Government

Environmental Considerations

There are no environmental impacts which would occur.

Fiscal Considerations

The City would need to consider in conjunction with the City's current budget and financial capabilities and this would need to be part of bargaining during contract negotiations with both labor unions.

Racial Equity Considerations

The City is committed to engaging in self-analyses to reflect on how our organization can better meet the goals and priorities of the City Council in delivering the best level of service to the community at-large. The City as a learning organization is determined and focused on not perpetuating racial inequities in maternal and infant health rooted in many forms of systemic racism. Inequitable access to paid parental leave through both employers and government programs in the United States exacerbates racial inequity at birth. The majority of Takoma Park staff identify as people of color and gaps in access to job protected paid family and medical leave mean this population of staff face greater hardships when health and family care needs arise. The City of Takoma Park believes in the benefit that healthy strong families provide in the workplace and the local economy.