



# Impact of Paid Family and Medical Leave in Maryland

## An Analysis of the Maryland Family and Medical Leave Insurance Act

Created with ATTIS

*Chantel Boyens, Karen E. Smith, Katherine Hueston, and Lauren Simpson*

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In this brief, we present estimates of benefits, costs, interactions with other means-tested programs, and impact on poverty for **Maryland's Family and Medical Leave Insurance (FAMLI)** program as part of the Department of Labor (DOL) Women's Bureau study, "Understanding Equity in Paid Leave through Microsimulation."<sup>1</sup> Using an enhanced version of the Department of Labor's Worker Paid Leave Usage Simulation (Worker PLUS) model, in concert with the Urban Institute's Analysis of Taxes, Transfers and Income Security (ATTIS) model,<sup>2</sup> we examine the following questions:

- How much would workers have received in benefits, and how would they have been distributed by demographic group and benefit type under the Maryland FAMLI program?

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<sup>1</sup> For more information on the "Understanding Equity in Paid Leave through Microsimulation" study and to access related reports and resources, please see "Understanding Equity in Paid Leave through Microsimulation Analysis," Women's Bureau, U.S. Department of Labor, accessed September 18, 2024, <https://www.dol.gov/agencies/wb/Understanding-Equity-in-Paid-Leave-Microsimulation-Analysis>.

<sup>2</sup> For more information on Worker PLUS, see "Microsimulation Model on Worker Leave," Office of the Assistant Secretary for Policy, U.S. Department of Labor, accessed September 18, 2024, <https://www.dol.gov/agencies/oasp/evaluation/completedstudies/Microsimulation-Model-on-Worker-Leave>.

For more information on ATTIS, see "ATTIS Microsimulation Model," Urban Institute, accessed September 18, 2024, <https://www.urban.org/research-methods/attis-microsimulation-model>.

- Would benefits under the FAML I program have reduced poverty overall and for families who took benefits? By how much? How would taxes and participation in other safety net programs have been affected?

To answer these questions, we simulate the impact of the Maryland FAML I program as if it had been operational in 2018, the most recent year for which we have data and modeling capabilities in Worker PLUS and ATTIS. We find the following:

- In 2018, the Maryland FAML I program would have provided 2.2 million workers with access to paid family and medical leave (PFML), covering 73 percent of the workforce. An estimated 5.7 percent of eligible workers would have taken a covered leave that year.
- Workers would have received an average weekly benefit of \$570 and the average duration of paid leave would have been approximately 8.1 weeks. Half of all leaves, 50 percent, would have been for maternity or bonding leave, 38 percent for own medical leave and 13 percent for family caregiving leave.
- The program would have reduced the poverty rate among families receiving benefits in Maryland by 22 percent under the Supplemental Poverty Measure (SPM). In addition, the FAML I program would have reduced the poverty gap—the additional resources needed to lift all poor families up to the poverty threshold—by 14 percent for families receiving benefits. The reduction in the poverty rate and poverty gap among families who receive benefits shows that the program would reduce the number of people in poverty and the depth of poverty experienced by families.
- Participation in means-tested programs would have fallen, resulting in a combined reduction in benefits of \$28 million.

In the following sections, we provide background on PFML programs in the United States, followed by a description of the Maryland program. Next, we show results from our analysis on access and cost of benefits by worker characteristics and the impact of the Maryland FAML I program on poverty.

## Background

Currently, 13 states and the District of Columbia have enacted PFML programs. No federal program providing PFML benefits exists but current state programs build on the federal law guaranteeing job-protected unpaid leave to a little over half of U.S. workers known as the Family and Medical Leave Act (FMLA) of 1993.<sup>3</sup> The FMLA provides workers up to 12 weeks away from their jobs to care for a seriously ill or injured parent, spouse, or child; to address their own serious health issue; or to care for a newborn, newly adopted, or newly placed foster child. It also provides two types of military caregiving leave that guarantees up to 26 weeks to care for a wounded service member by a parent, child, spouse, or next of kin, and up to 12 weeks for circumstances related to the deployment of a parent, spouse, or child. State PFML programs provide workers with a benefit that replaces a share of their prior wages while they are on leave. Although the details of state programs vary, at a minimum, all states cover the first three FMLA reasons for leave and are financed by payroll tax contributions from employers, employees, or a combination of both.<sup>4</sup>

## Maryland Family and Medical Leave Insurance Program

The Maryland FAMILI program was enacted in April 2022 under the Time to Care Act (H.B. 496/S.B. 275). Amended to adjust implementation timelines on May 3, 2023 (H.B. 988/S.B. 828), the FAMILI program will provide comprehensive PFML benefits to qualifying Maryland workers once the program is fully implemented. Beginning October 1, 2024, employers and employees will begin paying into the state paid leave fund.<sup>5</sup> In 2024, the total 0.9 percent contribution rate will be split evenly between employers and employees (table 1). Each would pay a 0.45 percent payroll tax on all wages received or paid out in a given year, up to the Social Security taxable maximum, set at \$168,600 in 2024.<sup>6</sup> These rates apply to all types of leave, and are subject to change at the discretion of the Department.<sup>7</sup> The

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<sup>3</sup> “The Family and Medical Leave Act of 1993,” U.S. Department of Labor, Wage and Hour Division, February 5, 1993, <https://www.dol.gov/agencies/whd/laws-and-regulations/laws/fmla>.

<sup>4</sup> Vicki Shabo, “Explainer: Paid Leave Benefits and Funding in the United States,” *New America* (blog), May 3, 2024, <https://www.newamerica.org/better-life-lab/briefs/explainer-paid-leave-benefits-and-funding-in-the-united-states/>.

<sup>5</sup> Family and Medical Leave Insurance Program Modifications, S.B. 828, 445th GA, 1st Sess. § 8.3-601(a)(1) (MD 2023).

<sup>6</sup> For information on the Social Security taxable wage base, see “Contribution and Benefit Base,” Social Security Administration, accessed September 18, 2024, <https://www.ssa.gov/oact/cola/cbb.html>.

<sup>7</sup> The 0.9 percent contribution rate, split evenly between employers and employees, will be the set rate through at least June 30, 2024.

state also plans to exempt employers with fewer than 15 employees from contributing to the fund, but their employees will still be covered and subject to the payroll tax.<sup>8</sup> The state aims to begin paying out paid leave benefits beginning January 1, 2026.<sup>9</sup>

TABLE 1

**Maryland Time to Care Act and Family and Medical Leave Insurance Program Elements**

<b>Program element</b>	<b>Summarized policy</b>
Inception	The Time to Care Act (H.B. 496/S.B. 275), enacted April 9, 2022, and amended May 3, 2023 (H.B. 988/S.B. 828), established the FAMILI Program
Lead agency	The Maryland Department of Labor and Economic Opportunity
Funding	Employer: 0.45% Employee: 0.45%
Implementation timing	Employers and employees will begin paying in on October 1, 2024 <sup>a</sup> Benefits are set to begin paying out on January 1, 2026 <sup>a</sup>
Duration (weeks of leave)	12 weeks <sup>b</sup>
Purposes	Own serious health condition, birth or adoption of a child, care for a family member with a serious health condition, and deployment-related and military family caregiving needs
Wage replacement	90% of the individual’s average weekly earnings to the extent that such earnings do not exceed 65 percent of the State Annual Weekly Wage (SAWW), plus 50% for earnings greater than 65% of the SAWW. The minimum benefit is \$50 per week. The SAWW for January 1, 2024, is \$1,456. <sup>c</sup>
Maximum benefits	\$1,000/month for the first 12 months of implementation
Minimum benefit	\$50/month
Job protection	Yes <sup>c</sup>
Waiting period	No
Intermittent leave	Yes
Eligibility	The employee must have worked at least 680 hours in the 12-month period immediately preceding the date leave is set to begin

“Maryland Department of Labor announces contribution rate for the forthcoming Family and Medical Leave Insurance system,” Maryland Department of Labor, September 29, 2023, <https://www.dllr.state.md.us/whatsnews/laborannouncescontributionrateforfamli.shtml>.

<sup>8</sup> “Maryland Department of Labor announces contribution rate for the forthcoming Family and Medical Leave Insurance system,” Maryland Department of Labor, September 29, 2023, <https://www.dllr.state.md.us/whatsnews/laborannouncescontributionrateforfamli.shtml>.

<sup>9</sup> Family and Medical Leave Insurance Program – Modifications, S.B. 828, 445th GA, 1st Sess. § 8.3-701(a)(1) (MD 2023).

<b>Program element</b>	<b>Summarized policy</b>
Coverage	Full- and part-time employees are eligible if they have met the eligibility requirements. Self-employed individuals may opt into the program.
Family definition	"Family" includes a parent, child (under 18 or adult child unable to care for self because of physical or mental disability), spouse, domestic partner, grandparent, grandchild, or sibling.

**Source:** Family and Medical Leave Insurance Act, S.B. 275, 445th GA, 1st Sess (MD 2023); Family and Medical Leave Insurance Act, H.B. 496 (MD 2023).

<sup>a</sup> This is an amended date that reflects the date contributions will begin.

<sup>b</sup> The standard leave time allowed is 12 weeks, with an additional 12 weeks covered if the individual is eligible for leave both to bond with a new child and is eligible for leave to care for one's own serious health condition in the same year. Either event can come first.

<sup>c</sup> "Maryland Workers' Compensation Commission Maximum Rate of Benefits for Calendar Year 2024, Effective January 1, 2024," December 11, 2022, <https://www.wcc.state.md.us/PDF/Rates/2024.pdf>.

<sup>d</sup> An employer may refuse to protect the job if it is necessary to prevent substantial and grievous economic injury to the operations of the employer. The employer must notify the employee of this, and the employee must elect not to return to employment after receiving this notice. The right to job protection begins on the first day of a new job.

To qualify for PFML benefits under Maryland's FAML I program, employees, including self-employed individuals who opt into the program, must have worked for at least 680 hours in the qualifying period, the 12 months prior to applying for benefits.<sup>10</sup> In addition, an employee must request leave for one of the following reasons: following the birth, adoption, or placement of a new child, care for one's own serious health condition, care for a family member with a serious health condition, or care related to deployment and military family needs.

Family members include a child, or spouse's child (under 18 or an adult child unable to care for themselves because of a physical or mental disability), parent or spouse's parent, spouse or domestic partner, sibling, grandparent, or grandchild.<sup>11</sup> Maryland's paid leave program does not guarantee coverage for nonrelative individuals for whom the employee may have caregiving responsibilities. Employees are eligible for leave on an intermittent basis, as long as at least 4 hours of leave are taken at a given time.<sup>12</sup>

<sup>10</sup> Family and Medical Leave Insurance Program Modifications, S.B. 828, 445th GA, 1st Sess. § 8.3-101(d-e) (MD 2023).

<sup>11</sup> Family and Medical Leave Insurance Program Modifications, S.B. 828, 445th GA, 1st Sess. § 8.3-101(i)(1-11) (MD 2023).

Family and Medical Leave Insurance Program Modifications, S.B. 828, 445th GA, 1st Sess. § 8.3-302(1-5) (MD 2023).

<sup>12</sup> Family and Medical Leave Insurance Program Modifications, S.B. 828, 445th GA, 1st Sess. § 8.3-701(b)(C)(1) (MD 2023).

Benefits replace 90 percent of wages up to 65 percent of the state average weekly wage (SAWW), plus 50 percent of wages on income over the threshold.<sup>13</sup> For at least the first 12 months of implementation, benefits will be capped at \$1,000 per month, then adjusted in subsequent years by the Department based on growth in the Consumer Price Index.<sup>14</sup> In most cases, paid leave is guaranteed for up to 12 weeks in a calendar year.<sup>15</sup> However, leave will be permitted for an additional 12 weeks for an individual who takes leave to bond with a new child *and* leave to care for one's own serious health condition in the same year.<sup>16</sup> Either event may occur first.

Generally, workers taking paid leave in Maryland are guaranteed job protections and the ability to return to their same or equivalent position once their leave has ended. However, the law allows a narrow exception for employers to deny restoration of an employee's position if the denial is necessary for preventing the employer from facing "grievous economic injury."<sup>17</sup> Employers are required to notify employees of the decision to terminate, and the employee must then choose not to return to the employer after their leave is completed.<sup>18</sup>

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Family and Medical Leave Insurance Program Modifications, S.B. 828, 445th GA, 1st Sess. § 8.3-701(b)(C)(3) (MD 2023).

<sup>13</sup> For example, the SAWW for 2024 is \$1,456, so wage replacement would be 90 percent of income up to \$946.40 (65 percent of SAWW), and 50 percent of income above \$946.40, if the program were implemented in 2024.

Family and Medical Leave Insurance Program Modifications, S.B. 828, 445th GA, 1st Sess. § 8.3-703(b)(1)(i-iii) (MD 2023).

<sup>14</sup> Family and Medical Leave Insurance Program Modifications, S.B. 828, 445th GA, 1st Sess. § 8.3-703(b)(3)(ii)(1-2) (MD 2023).

<sup>15</sup> Family and Medical Leave Insurance Program Modifications, S.B. 828, 445th GA, 1st Sess. § 8.3-702(a)(1) (MD 2023).

<sup>16</sup> Family and Medical Leave Insurance Program Modifications, S.B. 828, 445th GA, 1st Sess. § 8.3-702(2)(i-ii) (MD 2023).

<sup>17</sup> Time to Care Act of 2022, S.B. 275, 444th GA, 1st Sess. § 8.3-706(C)(2) (MD 2022).

<sup>18</sup> Time to Care Act of 2022, S.B. 275, 444th GA, 1st Sess. § 8.3-706(C) (MD 2022).

## Methods

To examine Maryland’s FAMILI program, we used two linked microsimulation models: DOL’s Worker PLUS model and Urban Institute’s ATTIS model. The linked approach allows us to estimate the distributional impact of PFML leave on means-tested program eligibility and enrollment, and on the SPM poverty rate and poverty gap. These estimates account for each mean-tested programs’ rules for treating paid family leave benefits and the shifts in employment and earnings as workers change work behaviors in response to newly available paid leave benefits. Both ATTIS and Worker PLUS use data from the 2018 American Community Survey and the simulations estimate the impact of Maryland’s FAMILI program using 2024 thresholds indexed to 2018. For additional details on our methods and assumptions, please see appendix A in *Understanding Equity in Paid Leave through Microsimulation: National Report* (Boyens, Smith et al. 2024) and the brief “Paid Family and Medical Leave, Means-Tested Benefits, and Taxes: How State Paid Leave Benefits Affect Workers’ Taxes, Eligibility, and Benefits” (Boyens, Hueston et al. 2024).

## Results

Tables 2 through 19 present results from the Worker PLUS model. Tables 20 through 23 present results from the ATTIS model. Table 2 shows the following:

- Approximately 2.2 million Maryland workers would be eligible for paid leave under the state program.
- 128,000 workers (5.7 percent of eligible workers) would have taken 146,000 family and medical leaves and claimed benefits.
- Half of all leaves would have been for maternity and bonding and the remainder for workers’ own medical leave or to care for a family member with a serious health condition.
- Benefits would have been paid for an average of 8.1 weeks.

TABLE 2

### Simulated Annual Coverage and Usage of Leave under Maryland's Family and Medical Leave Insurance Program

Annual coverage and usage	Number
Number of people with positive earnings (thousands) <sup>a</sup>	3,046
Number of people with taxable earnings (thousands) <sup>b</sup>	2,538
Number of people eligible for paid leave (thousands) <sup>c</sup>	2,230
Number of people receiving a benefit (thousands)	128
Percent of workers eligible for FAML I benefits in 2018 (%)	73
Percent of eligible workers receiving benefits in 2018 (%)	5.7
Number of medical leaves taken (thousands)	55
Number of maternity and bonding leaves taken (thousands)	72
Number of family care leaves taken (thousands)	18
Number of total leaves taken (thousands)	146
Distribution of medical leaves taken (%)	38
Distribution of maternity and bonding leaves taken (%)	50
Distribution of family care leaves taken (%)	13
Average duration of medical benefits (weeks)	8.4
Average duration of maternity and bonding benefits (weeks)	8.0
Average duration of family care benefits (weeks)	7.3
Average duration of benefits for all reasons (weeks)	8.1
Medical leave usage rate (%) <sup>d</sup>	2.5
Maternity and bonding leave usage rate (%) <sup>d</sup>	3.3
Family care leave usage rate (%) <sup>d</sup>	0.8

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** Amounts and claims are for 2018. Family care includes ill child, ill spouse, and ill parent leaves.

<sup>a</sup> This includes all people with any earnings (including wage, salary, and self-employment).

<sup>b</sup> Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

<sup>c</sup> Workers must have worked at least 680 hours in the 12 months prior to claiming a benefit to be eligible for leave.

<sup>d</sup> The usage rate is the number of people receiving a paid leave benefit divided by the number of people eligible for a benefit.

Table 3 summarizes benefit costs and taxable earnings and projects the following:

- The Maryland FAML I program would have provided over \$659 million in benefits to workers and their families.
- The average weekly benefit for all claims would have been \$570 and workers would have received an average of \$4,502 in annual benefits.



- A payroll tax of 0.53 percent on taxable earnings would have been needed to fully fund projected benefits.
- Maryland’s FAML I program would have provided about \$98 million of small business tax relief, lowering the employer cost for firms paying nearly 24 percent of Maryland’s workforce.

TABLE 3

**Annual Total Benefit Costs, Average Benefits, and Taxable Earnings under the Maryland Family and Medical Leave Insurance Program**

<b>Type of benefits paid</b>	<b>Number</b>
Total medical leave benefits (millions of dollars)	\$247
Total maternity and bonding leave benefits (millions of dollars)	\$341
Total family care leave benefits (millions of dollars)	\$71
Total benefits for all reasons (millions of dollars)	\$659
Average annual medical benefit (dollars)	\$4,502
Average annual maternity and bonding benefit (dollars)	\$4,703
Average annual family care benefit (dollars)	\$3,856
Average annual benefit for all reasons (dollars)	\$4,502
Average weekly medical benefit (dollars)	\$535
Average weekly maternity and bonding benefit (dollars)	\$601
Average weekly family care benefit (dollars)	\$550
Average weekly benefit for all reasons (dollars)	\$570
Taxable earnings (millions of dollars)	\$123,815
Total payroll tax (millions of dollars)	\$1,016
Worker payroll tax (millions of dollars)	\$557
Employer payroll tax (millions of dollars)	\$459
Small business tax relief (millions of dollars)	\$98
Benefit cost as percentage of taxable earnings (%)	0.53%
Benefit cost as a percent of FAML I payroll tax (%)	65%

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** Claims are for 2018. Family care includes ill child, ill spouse, and ill parent leaves. Eligible workers are limited to workers in eligible employment sectors who worked at least 680 hours in Maryland. For modeling purposes, we assume no self-employed workers enroll.

Tables 4 through 11 summarize the characteristics of Maryland FAML I program beneficiaries. They show the following:

- Approximately 2.2 million workers, 73 percent of workers, would have been eligible for the program, with 5.7 percent of eligible workers taking a paid leave in 2018.

- Uncovered workers include federal government workers (8 percent), self-employed workers that opt out of the program (8 percent), and workers that do not meet the 680 hours worked in the qualifying period (10 percent; not shown in table).
- Compared with higher earners, low earners would have been more likely to receive benefits if they qualified, but fewer low earners would have qualified for benefits.
- Access to paid leave would have been lowest among employees who worked less than 20 hours per week, those with less than a high school diploma, and workers older than 65.
- Usage of leave would have been highest among those ages 26 to 35 and those with family income below 200 percent of the poverty level.
- The hours worked eligibility requirement effectively excludes most part-time workers from coverage.

TABLE 4

**Access to and Usage of Paid Leave by Annualized Earnings and Family Poverty Rate**

*Simulation results for Maryland*

<b>Annualized earnings and family poverty rate</b>	<b>Number of eligible workers (thousands)</b>	<b>Share of workers eligible for covered leave (%)</b>	<b>Share of eligible workers receiving compensation for leaves (%)</b>
Overall	2,230	73	5.7
< \$25,000	497	56	9.0
\$25,000–\$40,000	436	90	6.4
\$40,000–\$60,000	455	87	5.1
\$60,000–\$80,000	322	83	4.0
\$80,000–\$100,000	182	75	3.8
\$100,000 or more	338	64	3.6
Income < 200% poverty level	272	63	9.8
Income 200–400% poverty level	590	79	7.1
Income > 400% poverty level	1,368	73	4.4

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Maryland employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Annualized earnings is eligible weekly earnings times 52. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 5

**Access to and Usage of Paid Leave by Race and Ethnicity***Simulation results for Maryland*

<b>Race and ethnicity</b>	<b>Number of eligible workers (thousands)</b>	<b>Share of workers eligible for covered leaves (%)</b>	<b>Share of eligible workers receiving compensation for leaves (%)</b>
Overall	2,230	73	5.7
Asian, non-Hispanic	143	69	5.9
Black, non-Hispanic	594	76	6.2
Hispanic	214	73	5.8
Native American and Pacific Islander, non-Hispanic	3	51	0.0
Other, non-Hispanic	54	70	6.2
White, non-Hispanic	1,222	72	5.5

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Maryland employer. All Hispanic people are classified as Hispanic regardless of race. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 6

**Access to and Usage of Paid Leave by Sex***Simulation results for Maryland*

<b>Sex</b>	<b>Number of eligible workers (thousands)</b>	<b>Share of workers eligible for covered leaves (%)</b>	<b>Share of eligible workers receiving compensation for leaves (%)</b>
Overall	2,230	73	5.7
Men	1,114	72	5.6
Women	1,116	74	5.9

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Maryland employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 7

**Access to and Usage of Paid Leave by Age***Simulation results for Maryland*

<b>Age group</b>	<b>Number of eligible workers (thousands)</b>	<b>Share of workers eligible for covered leaves (%)</b>	<b>Share of eligible workers receiving compensation for leaves (%)</b>
Overall	2,230	73	5.7
16-25	287	62	7.4
26-35	542	81	10.3
36-45	462	78	5.7
46-55	475	75	2.4
56-65	363	72	2.6
66 and older	102	55	3.6

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Maryland employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 8

**Access to and Usage of Paid Leave by Usual Hours Worked per Week***Simulation results for Maryland*

<b>Usual hours worked per week</b>	<b>Number of eligible workers (thousands)</b>	<b>Share of workers eligible for covered leaves (%)</b>	<b>Share of eligible workers receiving compensation for leaves (%)</b>
Overall	2,230	73	5.7
1-19	29	13	2.7
20-34	281	64	5.4
35-44	1,376	81	6.4
45 or more	544	79	4.4

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Maryland employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 9

**Access to and Usage of Paid Leave by Education Level***Simulation results for Maryland*

<b>Education level</b>	<b>Number of eligible workers (thousands)</b>	<b>Share of workers eligible for covered leaves (%)</b>	<b>Share of eligible workers receiving compensation for leaves (%)</b>
Overall	2,230	73	5.7
Less than high school	155	62	4.8
High school or equivalent	533	77	6.1
Some college	623	75	6.0
Bachelor's or higher degree	919	72	5.5

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Maryland employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number of eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 10

**Access to and Usage of Paid Leave by Household Composition***Simulation results for Maryland*

<b>Household composition</b>	<b>Number of eligible workers (thousands)</b>	<b>Share of workers eligible for covered leaves (%)</b>	<b>Share of eligible workers receiving compensation for leaves (%)</b>
Overall	2,230	73	5.7
Married two-earner	979	74	7.0
Married one-earner	301	66	7.2
Single one-earner	950	75	4.0

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Maryland employer. Share of eligible workers receiving benefits is the number of people receiving a benefit divided by the number of people with eligible earnings. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 11

**Access to and Usage of Paid Leave by Class of Worker***Simulation results for Maryland*

<b>Class of worker</b>	<b>Number of eligible workers (thousands)</b>	<b>Share of workers eligible for covered leaves (%)</b>	<b>Share of eligible workers receiving compensation for leaves (%)</b>
Overall	2,230	73	5.7
Private sector	1,916	87	5.9
State and local government	314	91	4.7

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with positive wage and salary plus self-employment income from a Maryland employer. The share of eligible workers receiving compensation for leaves is the number of people receiving a benefit divided by the number eligible workers. Federal government workers are excluded from the plan. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

Table 12 through 19 summarize average weekly, annual benefits, and average duration of leave. They show the following:

- Black workers would have received the lowest average weekly benefits. Workers who are multiracial or do not identify with other racial and ethnic categories would have received the lowest annual benefits and would have had the shortest leave durations when compared to other racial and demographic groups.
- Average weekly and annual benefits would have been lowest for workers who work less than 20 hours per week and those with annual earnings below \$25,000. These groups would have also taken the longest average leaves.

TABLE 12

**Paid Leave Benefit Amounts and Weekly Benefit Duration by Annualized Earnings and Family Poverty Rate***Simulation results for Maryland*

<b>Annualized earnings and family poverty level</b>	<b>Average weekly benefit (\$)</b>	<b>Average annual benefit (\$)</b>	<b>Average weekly duration (weeks)</b>
Overall	570	4,502	8.1
< \$25,000	268	2,335	8.8
\$25,000–\$40,000	556	4,668	8.4
\$40,000–\$60,000	716	5,895	8.2
\$60,000–\$80,000	725	5,400	7.4
\$80,000–\$100,000	725	5,142	7.1
\$100,000 or more	725	4,983	6.9

<b>Annualized earnings and family poverty level</b>	<b>Average weekly benefit (\$)</b>	<b>Average annual benefit (\$)</b>	<b>Average weekly duration (weeks)</b>
Income < 200% poverty level	410	3,486	8.6
Income 200–400% poverty level	560	4,820	8.7
Income > 400% poverty level	647	4,731	7.4

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. Annualized earnings is eligible weekly earnings times 52. The Maryland plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan. Family poverty level is based on 2018 American Community Survey classifications and do not include projected paid leave benefits.

TABLE 13

### **Paid Leave Benefit Amounts and Weekly Benefit Duration by Race and Ethnicity**

*Simulation results for Maryland*

<b>Race and ethnicity</b>	<b>Average weekly benefit (\$)</b>	<b>Average annual benefit (\$)</b>	<b>Average weekly duration (weeks)</b>
Overall	570	4,502	8.1
Asian, non-Hispanic	623	4,867	8.1
Black, non-Hispanic	521	4,301	8.5
Hispanic	497	4,009	8.2
Native American and Pacific Islander, non-Hispanic	N/A	N/A	N/A
Other, non-Hispanic	587	3,942	6.8
White, non-Hispanic	601	4,684	7.9

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. All Hispanic people are classified as Hispanic regardless of race. The Maryland plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave program.

TABLE 14

### **Paid Leave Benefit Amounts and Weekly Benefit Duration by Sex**

*Simulation results for Maryland*

<b>Sex</b>	<b>Average weekly benefit (\$)</b>	<b>Average annual benefit (\$)</b>	<b>Average weekly duration (weeks)</b>
Overall	570	4,502	8.1
Men	608	4,457	7.6
Women	536	4,541	8.5

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Maryland plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 15

**Paid Leave Benefit Amounts and Weekly Benefit Duration by Age***Simulation results for Maryland*

<b>Age group</b>	<b>Average weekly benefit (\$)</b>	<b>Average annual benefit (\$)</b>	<b>Average weekly duration (weeks)</b>
Overall	570	4,502	8.1
16-25	389	3,335	9.0
26-35	591	4,741	8.1
36-45	629	4,500	7.4
46-55	618	4,956	8.1
56-65	605	5,143	8.4
66 and older	544	4,315	8.0

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Maryland plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 16

**Paid Leave Benefit Amounts and Weekly Benefit Duration by Usual Hours Worked per Week***Simulation results for Maryland*

<b>Usual hours worked per week</b>	<b>Average weekly benefit (\$)</b>	<b>Average annual benefit (\$)</b>	<b>Average weekly duration (weeks)</b>
Overall	570	4,502	8.1
1-19	158	1,260	8.3
20-34	331	2,849	8.6
35-44	591	4,709	8.1
45 or more	657	4,898	7.5

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Maryland plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.



TABLE 17

**Paid Leave Benefit Amounts and Weekly Benefit Duration by Education Level***Simulation results for Maryland*

<b>Education level</b>	<b>Average weekly benefit (\$)</b>	<b>Average annual benefit (\$)</b>	<b>Average weekly duration (weeks)</b>
Overall	570	4,502	8.1
Less than high school	444	3,973	9.1
High school or equivalent	500	3,951	8.1
Some college	548	4,584	8.5
Bachelor's or higher degree	647	4,864	7.6

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Maryland plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 18

**Paid Leave Benefit Amounts and Weekly Benefit Duration by Household Composition***Simulation results for Maryland*

<b>Household composition</b>	<b>Average weekly benefit (\$)</b>	<b>Average annual benefit (\$)</b>	<b>Average weekly duration (weeks)</b>
Overall	570	4,502	8.1
Married two-earner	608	4,705	7.9
Married one-earner	576	4,329	7.6
Single one-earner	492	4,209	8.7

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Maryland plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

TABLE 19

**Paid Leave Benefit Amounts and Weekly Benefit Duration by Class of Worker***Simulation results for Maryland*

<b>Class of worker</b>	<b>Average weekly benefit (\$)</b>	<b>Average annual benefit (\$)</b>	<b>Average weekly duration (weeks)</b>
Overall	570	4,502	8.1
Private sector	562	4,461	8.1
State and local government	624	4,793	7.7

**Source:** Authors' calculations from the Worker PLUS model linked to ATTIS.

**Notes:** The projections are for 2018 and include all people ages 16 and older with an eligible paid leave benefit. Amounts are for each paid leave spell and in 2018 dollars. The Maryland plan excludes federal government workers. For modeling purposes, we assume no self-employed workers voluntarily enroll in the paid leave plan.

Tables 20 and 21 summarize the projected impact of Maryland’s FAML I program on poverty in Maryland:

- The FAML I program would have reduced the poverty rate among families receiving benefits in Maryland by 22 percent under the SPM. In addition, the FAML I program would have reduced the poverty gap—the additional resources needed to lift all poor families up to the poverty threshold—by 14 percent.
- Overall, across the total population of the state, including covered and noncovered workers, the poverty rate would have decreased by a very small amount, 0.3 percent; however, the total poverty gap would have increased by 0.1 percent.
- Families receiving benefits but who newly fall below the poverty threshold would have had an average poverty gap of \$128. Families newly entering poverty partly reflects higher tax liability not offset by higher benefits and partly reflects a reduction in earnings as some workers replace workdays with paid leave days that do not replace 100 percent of earnings.

**TABLE 20**  
**Impact on Supplemental Poverty Measure Poverty Rate in Maryland**

<b>Simulation results for Maryland FAML I</b>	<b>Baseline (%)</b>	<b>Maryland FAML I (%)</b>	<b>Change in the poverty rate (%)</b>
All people (full population)	11.4	11.4	-0.3
People in families paying Maryland FAML I program payroll tax	8.1	8.1	-0.5
People in families receiving FAML I program benefit under Maryland FAML I program	7.9	6.2	-21.8

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: FAML I = Family and Medical Leave Insurance. The “Baseline” column reflects the poverty rate before Maryland FAML I program benefits. The “Maryland FAML I” column reflects the poverty rate including total benefits received by workers under the Maryland FAML I program.

**TABLE 21**  
**Impact on the Poverty Gap in Maryland**

<b>Simulation results for Maryland FAML I</b>	<b>Baseline (in 2018 dollars)</b>	<b>Maryland FAML I (in 2018 dollars)</b>	<b>Change (%)</b>
Total poverty gap (full population)	\$2,763 million	\$2,765 million	0.1
Total poverty gap (families paying Maryland FAML I program payroll tax)	\$1,193 million	\$1,195 million	0.1
Total poverty gap (families newly receiving benefit under Maryland FAML I program)	\$57 million	\$49 million	-14.0

<b>Simulation results for Maryland FAML I</b>	<b>Baseline (in 2018 dollars)</b>	<b>Maryland FAML I (in 2018 dollars)</b>	<b>Change (%)</b>
Average poverty gap for families newly receiving benefit under Maryland FAML I program for families who were below the poverty line in the baseline and remain below the poverty line under Maryland FAML I program	\$7,904	\$6,966	-11.9
Average poverty gap for families newly receiving benefit under Maryland FAML I program for families who were not below the poverty line in the baseline and but are below the poverty line under Maryland FAML I program	N/A	\$128	N/A

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: FAML I = Family and Medical Leave Insurance. N/A is not applicable. The poverty gap is the additional resources needed to lift all poor families up to the poverty threshold. The "Baseline" column reflects the poverty gap before Maryland FAML I program benefits. The "Maryland FAML I" column reflects the poverty gap including total benefits received by workers in Maryland under the FAML I scenario and workers adjust employment when paid leave benefits are available.

Table 22 shows that under the Maryland FAML I program, revenue from federal and state taxes would have fallen by \$28 million, primarily due to lower taxable wages as some workers replace work days with paid leave days, which do not replace 100 percent of earnings

**TABLE 22**  
**Income Tax Change in Maryland**

<b>Simulation results for Maryland FAML I</b>	<b>2018 dollars</b>	<b>Change (%)</b>
Federal taxes	-\$23 million	-0.1
State income taxes	-\$5 million	N/A
Total	-\$28 million	N/A

Source: Authors' calculations from the Worker PLUS model linked to ATTIS.

Notes: FAML I = Family and Medical Leave Insurance. N/A is not applicable.

Table 23 summarizes the impact of the Maryland FAML I program on participation and benefits in means-tested programs as a result of workers receiving PFML benefits, making payroll tax contributions, and adjusting employment in response to newly available PFML benefits. We estimate the following:

- Total spending on all means-tested programs would have declined by \$28 million, with the largest spending reductions occurring in Supplemental Nutrition Assistance Program.
- The largest decline in participation would have occurred in the Women, Infants, and Children program, with 11,000 fewer people or units participating in the program on an annual basis, or

8.7 percent. Spending on public/subsidized housing would have gone up slightly on an annual basis.

- Spending on the federal earned income tax credit and refundable child tax credit would have gone down by \$3 million.

TABLE 23

**Impact of Paid Leave Participation on Other Government Assistance in Maryland**

*Simulation results for Maryland Family and Medical Leave Insurance*

Program	Change in average monthly participating people or units (thousands) <sup>a</sup>	Percent change in average monthly participating people or units (%)	Change in annual people or units (thousands) <sup>a</sup>	Percent change in people or units (%)	Change in benefits (in 2018 millions of dollars)	Change in benefits (%)
SNAP	-2	-0.7	-7	-1.5	-16	-2.1
TANF <sup>b</sup>	0	-2.1	N/A <sup>4</sup>	N/A <sup>4</sup>	-3	-2.8
CCDF	0	-0.5	0	-0.9	0	-0.6
SSI	0	0.10	0	-0.01	0	0.06
LIHEAP <sup>c</sup>	N/A	N/A	-1	-0.8	-1	-0.8
WIC	-6	-5.6	-11	-8.7	-6	-7.2
Public/subsidized housing	0	0.2	0	0.2	0	0.0
Federal EITC	N/A	N/A	-1	-0.3	-2	-0.4
Federal refundable CTC	N/A	N/A	0	0.0	-1	-0.3
Total	N/A	N/A	N/A	N/A	-28	N/A

**Source:** Authors' calculations from ATTIS.

**Note:** N/A is not applicable. CCDF = Child Care and Development Fund; CTC = Child Tax Credit; EITC = Earned Income Tax Credit; LIHEAP = Low Income Home Energy Assistance Program; SNAP = Supplemental Nutrition Assistance Program; SSI = Supplemental Security Income; WIC = US Special Supplemental Nutrition Program for Women, Infants, and Children.

<sup>a</sup> For SSI, TANF, public/subsidized housing, SNAP, and LIHEAP, the changes in caseload count numbers of assistance units, which may consist of one person, multiple people in a household, or an entire household; for child care subsidies, the changes count numbers of children with subsidies; for WIC, the changes count individual women, infants, and children receiving benefits; for tax credits, the numbers reflect changes in numbers of tax units.

<sup>b</sup> TANF results include federally-funded benefits, separate-state-program (SSP) benefits funded with state maintenance-of-effort monies, and solely-state-funded (SSF) benefits.

<sup>c</sup> LIHEAP benefits are generally provided once per heating or cooling season, not as a monthly benefit.

<sup>d</sup> TANF ever-on results could be tabulated with additional effort.

## Conclusion

Maryland's FAMLl program greatly expands workers' access to PFML leave. In addition, it provides a relatively generous benefit due to its high replacement rate (95 percent) for low earners and minimum benefit. As a result, Maryland's FAMLl program reduces SPM poverty by over 21 percent among families with a worker who receives a paid leave benefit and closes nearly 14 percent of their poverty gap. In addition, FAMLl is estimated to reduce SPM poverty by 0.3 percent overall in the state. Benefits provided under Maryland's FAMLl program would also result in benefits from means-tested programs declining by \$28 million.

Maryland's FAMLl program could achieve greater poverty reduction and cover more workers if it reduced the hours worked requirement and automatically covered all self-employed workers. Currently, the program excludes federal government workers, and low participation of self-employed workers leave 27 percent of workers ineligible for benefits. Only 13 percent of part-time workers (who work under 20 hours per week) qualify for benefits. Workers with lower earnings are more likely to take leave if they qualify for benefits, but they are less likely to qualify for benefits.

The cost of the FAMLl program is about 0.53 percent of taxable payroll. The cap on assessable earnings generates a less progressive financing system compared with an uncapped wage base. Taxing uncapped earnings could reduce the required tax rate from 0.53 percent to 0.47 percent. The cost of the FAMLl program includes small business tax relief for qualifying businesses that totals about \$98 million, providing tax relief to businesses that employ about 24 percent of the state's workforce.

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## About the Authors

**Chantel Boyens** is a principal policy associate in the Income and Benefits Policy Center at the Urban Institute. Her current work focuses on interactions between Social Security programs and retirement, pensions, disability, and paid leave policy. Before joining the Urban Institute, Boyens was acting branch chief and senior program examiner in the Income Maintenance Branch of the Office of Management

and Budget where she led analysis of Social Security Administration programs and budget, as well as other income security programs in the Departments of Labor, Agriculture and Health and Human Services. Boyens received a master's degree in public policy from American University.

**Karen E. Smith** is a senior fellow in the Income and Benefits Policy Center, where she is an internationally recognized expert in microsimulation. Over the past 30 years, she has developed microsimulation models for evaluating Social Security, pensions, taxation, wealth and savings, labor supply, charitable giving, health expenditure, student aid, and welfare reform. Smith has played a lead role in the development of the Social Security Administration's Modeling Income in the Near Term microsimulation model, Urban's Dynamic Simulation of Income microsimulation model, and the Social Security Administration's Policy Simulation Model.

**Katherine Hueston** is a research assistant in the Income and Benefits Policy Center. Her work is primarily focused on the Child Care and Development Fund Database, tracking state and territory child care subsidy policies. She also works on microsimulation modeling of social safety net programs for low-income families. Hueston holds a bachelor's degree in political science from Haverford College.

**Lauren Simpson** is a research analyst in the Income and Benefits Policy Center. She works with the Welfare Rules Database and the TRIM3 Transfer Income Model. Simpson holds a master's degree in public policy from Georgetown University.

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500 L’Enfant Plaza SW  
Washington, DC 20024  
[www.urban.org](https://www.urban.org)

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