

OCTOBER 2, 2025 | STATE & LOCAL TRENDS

New Maryland Employment Laws in Effect (Oct. 1, 2025)

By [Daniel C. Deacon](#)

Fall is in full swing in the mid-Atlantic. The change of season also brought a series of new laws that went into effect in Maryland on October 1, 2025. Below are the three key employment laws that employers should be aware of and take steps to review and revise applicable policies and procedures to ensure compliance.

State Parental Leave Laws

In the Spring of 2025, two new laws were signed to address Maryland's paid and unpaid leave laws. Specifically, Gov. Wes Moore signed [HB 102](#) on May 6, 2025, which delays Maryland's paid family and medical leave program – marking the third time the implementation of the program has been delayed since it was originally passed in 2022. Gov. Moore also signed [SB 785](#) to exclude an employer from the state's unpaid parental leave requirements if the employer is covered by the federal Family and Medical Leave Act for the applicable year. Both laws went into effect on October 1, 2025.

Paid Family Leave

The key provisions of the Paid Family Leave law – which provides covered employees paid leave benefits for up to 12 weeks for a covered reason – remain unchanged, including the covered reasons for leave, the duration of leave, and the employer option to use private insurance plans to cover paid family and medical leave benefits. The revisions are focused on the implementation dates, the definitions section, contribution rates, and the administration of benefits.

1. *Implementation Dates.* The revisions delay, again, the start of contributions from July 1, 2025, until January 1, 2027, and delay the availability and collection of benefits from July 1, 2026, to between January 1, 2027 (at the earliest) and January 3, 2028 (at the latest), as announced by the Secretary of Labor.
2. *Anchor Date.* The law introduced a new definition and term – i.e., anchor date. This is considered the earlier of the date when a benefit application is fully completed or when paid family and medical leave begins. Ultimately, this clarifies the date that will be used to calculate an employee's average weekly wage and eligibility for any increases in benefits. The definition of "application year" was also modified to

the twelve months beginning on the Sunday of the calendar week in which paid family and medical leave begins, not when the benefits are fully approved.

3. *Contribution Rates.* The current contribution rate for the 2026 calendar year is set at 0.9% of covered wages, and it is required to be adjusted annually based on a cost analysis. The next potential rate change for the 2027 calendar year will be set by May 1, 2026. The law was updated to clarify that beginning January 2027, the Secretary will set the contribution rate that will be in effect for the following year on or before November 1st.
4. *Scheduled Benefit Increases.* Although the availability of benefits is delayed, there will be no change to the maximum weekly benefit amount of \$1,000 through December 31, 2028. New maximum weekly benefits will be increased annually beginning January 1, 2029, which shall be announced by the Secretary on September 1, 2028.
5. *Self-Employment Updates.* The Secretary has until July 1, 2028, to adopt regulations for an optional self-employed enrollment program, which will include contribution amounts, benefits, and enrollment processes.

More details about Maryland's Paid Family Leave laws can be found [here](#).

Unpaid Parental Leave

Maryland employers were stuck in the crosshairs of federal and state leave laws, which led to confusion about which law applied and when. The Maryland Parental Leave Act (MPLA) requires employers to provide employees with six weeks of unpaid parental leave if they employ 15 to 49 employees for at least 20 work weeks during the preceding or current calendar year. Similarly, the FMLA applies to employers with at least 50 employees in at least 20 workweeks during the preceding or current calendar year. However, due to the way in which they are counted, this has led to cases where an employer could be covered by both the MPLA and the FMLA in the same year and created confusion as to which law applied. For example, if an employer has 45 employees in twenty or more workweeks in 2025, that makes the employer subject to the MPLA, which provides 6 weeks of unpaid leave. If the employer had 52 employees for at least 20 workweeks in 2024, it is also considered covered by the FMLA for 2025 (even though the employee roster had dropped), which provides 12 weeks of unpaid leave.

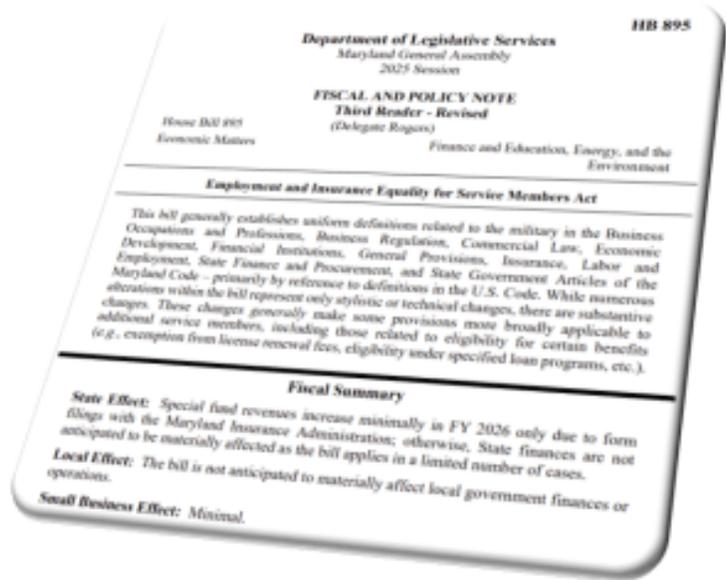
This unintended consequence and the overlap between the state and federal law were addressed in [SB 785](#) by amending the definition of employer to exclude employers who are covered under FMLA for the *current calendar year*. In other words, employers who are covered under the FMLA are not required to provide employees with up to six weeks of unpaid parental leave under the MPLA, even if they have between 15 and 49 employees.

Employers should carefully evaluate their total employee headcount for both the preceding and current calendar year and make any necessary changes to current leave policies to ensure compliance with the MPLA amendments.

Expanded Protections for Service Members

Maryland revised its Employment and Insurance Equality for Service Members Act, effective October 1, 2025, to expand protections for service members, veterans, and their families.

The [Employment and Insurance Equality for Service Members Act](#) expands certain employment protections, such as leave entitlement due to deployment of an immediate family member, to all uniformed services, rather than only the armed forces and National Guard.



The new protections include:

1. Hiring preferences for eligible veterans (i.e., a veteran who is honorably discharged or certificate of satisfactory completion of uniformed service), as well as the spouse of an eligible veteran who has a service-connected disability, the surviving spouse of a deceased eligible veteran, and the spouse of a full-time active member of the uniformed services.
2. Leave on the day that the employee's spouse, parent, stepparent, child, stepchild, or sibling is leaving for, or returning from, active duty outside the United States as a member of the uniformed services. However, to be eligible for this leave, the employees must have worked for the employer for one year and worked 1,250 hours in the twelve months prior to the leave.

Conn Maciel Carey LLP's [Labor and Employment Team](#) will continue to monitor these developments and post additional information as it becomes available.