

The new MA mandate for Paid Family and Medical Leave will go into effect as of October 1, 2019.

The law requires that employers;

- 1) Notify employees of the new law
- 2) Collect signed acknowledgment of receipt of notice and,
- 3) Withhold and remit applicable tax on behalf of employees (as part of quarter wage reporting and tax remitted by DSI)

All employees will be required to contribute a percentage of their gross earnings, which can be used for paid leave for covered reasons by 2021.

The full contribution rate is 0.75% of the first \$132,900 of an individual's individual annual earnings. That is split into the public Trust Fund, with 0.62% going towards medical leave and 0.13% towards family leave.

Employers with 25 or more covered individuals are required to pay an employer share of 60% of the 0.62% that is being paid towards the medical leave portion of the PFML Trust Fund. (The net percentage of employee contributions is .378% of wages and net percentage of employer contribution is .372%)
*covered employees are determined by averaging the number of employees paid during each quarter in the previous year.

Employers with fewer than 25 covered individuals must submit contributions on behalf of their workers, however, they are not required to pay the employer share. The employee contribution rate is .378% of wages.

Wages must be reported for 1099-MISC workers but employers will only contribute if those workers make up more than 50% of the workforce.
(if you currently have 1099-MISC workers but do not report through payroll - contact us to determine the best course of action)

If you already provide a paid leave benefit to your workforce, you may be eligible to receive an exemption from collecting, remitting, and paying contributions for paid family or medical leave under the state's PFML law.

The benefits offered to your employees by your approved private plan must be greater than or equal to the benefits provided by the PFML law to be granted an exemption. You can apply for an exemption from the medical leave contribution, family leave contribution, or both. You'll be able to apply for these annual exemptions through your MassTaxConnect account beginning April 29.

The MA Department of Family and Medical Leave provides a wealth of information as a resource, as well as employee notification documents and workplace poster. See link <https://www.mass.gov/paid-family-and-medical-leave-information-for-massachusetts-employers>

helpful links from that site:

Employee Workplace Poster and Notifications:

<https://www.mass.gov/lists/paid-family-and-medical-leave-downloads-for-massachusetts-employers>

Exemption details

<https://www.mass.gov/paid-family-and-medical-leave-contribution-exemptions-for-employers>