

Massachusetts Sets New Deadlines and Contribution Rates for the Paid Family and Medical Leave Program, and Anticipates Further Changes

Monday, June 17, 2019

As we previously [reported](#), the Massachusetts Department of Family and Medical Leave (“DFML”) recently extended the deadline for employers to provide notice to employees of their rights and obligations under the State’s Paid Family and Medical Leave (“PFML”) law. Subsequently, on June 11, 2019, Massachusetts Governor Charlie Baker, state Senate President Karen Spilka, and state House Speaker Robert DeLeo released a [joint statement](#) announcing that implementation of certain aspects of the PFML program are being pushed back, and that “technical changes” will be adopted to clarify the program. Thereafter, on June 14, 2019, the DFML released a [notice](#) on its website confirming one substantive revision along with several procedural revisions to the PFML program, including the following:

- **Contribution Rate:** The total contribution rate has been raised from 0.63% to 0.75% of qualifying employee earnings. Given the newly shortened contribution timeframe, the increase is to ensure full funding for the commencement of benefit payments, still scheduled for January 1, 2021.
- **Contribution Start Date:** The date for employers to begin withholding PFML contributions from qualifying employee earnings has been moved from July 1, 2019 to October 1, 2019. Contributions for the period of October 1, 2019 to December 31, 2019 must now be remitted by January 31, 2020 via MassTaxConnect.
- **Required Notices:** The deadline for notice requirements has been extended for a second time. Now, employers have until September 30, 2019 to notify all covered individuals, including W-2 employees and 1099-MISC workers, of their rights and obligations under the PFML. Updated model notices should be available shortly on the DFML [website](#).
- **Private Plan Exemption:** The deadline for employers with private leave programs that meet or exceed the requirements of the PFML to apply for an exemption from the state program has also been extended for a second time, from September 20, 2019 until December 20, 2019. If an employer’s plan is approved, it will be exempt from the October 1, 2019 start date for collecting contributions. (If an employer does not receive an exemption by October 1, the Massachusetts Department of Revenue advises that the employer collect employee contributions until it is actually approved for a private plan exemption.
- **Final Regulations Effective:** The DFML is expected to post the final regulations on its [website](#) later today. The final regulations will become effective on July 1, 2019.



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What Massachusetts Employers Should Do Now

Given the latest changes, in addition to the steps we have [previously suggested](#), employers should consider the following actions:

- Adjust the company's preparations for the implementation of the PFML program to align with the new deadlines, especially the date for beginning deductions of employee contributions.
- Consult with tax and accounting advisors regarding the new contribution rate and coordinate with payroll. In addition, communicate the state's increase in the contribution rate to employees.
- Regularly check the DFML website for updates, including the new notices and regulations.
- Consider attending an [educational session](#) on the PFML. One will be held in Rockland on June 26, 2019 and another will be held in Springfield on June 28, 2019.

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