

The Massachusetts Paid Family Medical Leave Act (MA PFML) **effective date has been moved to October 1, 2019**, with contributions beginning on this date (paid leave claim submissions begin on January 1, 2021). This law will provide eligible employees (as well as some 1099-MISC independent contractors) with up to 12 weeks of paid family leave and up to 20 weeks of paid medical leave, for a maximum of 26 weeks in a single benefit year.

Covered Employers

Essentially, if you employ Massachusetts workers, you'll be required to comply with the PFML law, however, it is the composition of your workforce that will determine if you need to remit contributions for both W2 employees and 1099-MISC contractors. Your total workforce includes:

- All Massachusetts W2 employees (full-time, part-time and seasonal).
- All Massachusetts 1099-MISC contractors (defined as a contractor who resides in Massachusetts for whom you are required to report payment for services on Form 1099-MISC).

Self-employed individuals are not required to participate in MA PFML, however, they can choose to opt into the program by submitting a Self-Employed Notice of Election to the Department of Family and Medical Leave.

All participating Employers must be registered with the MA Department of Revenue.

Covered Individuals

Employers will only be responsible for submitting contributions on behalf of workers who are treated as covered individuals:

- Massachusetts W2 employees will always count as covered individuals.
- 1099-MISC contractors will count toward your total number of covered individuals only if they make up more than 50% of your total workforce (W2 employees AND 1099-MISC combined).

Each year, employers must calculate their average total workforce to determine if they have more, or less, than 25 workers. Data from the previous calendar year is used to determine this number by simply adding together the following two calculations.

Count the number of Massachusetts W2 employees on the payroll during each regular pay period and divide by the total number of pay periods.

+

Count the number of Massachusetts 1099-MISC contractors on the payroll during each regular pay period and divide by the total number of pay periods.

For multi-state employers, identifying covered workers can be tricky. The simplest method to identify coverage is to look at the individual's unemployment state – if MA unemployment taxes are paid, you can reasonably presume that MA PFML coverage applies. The regulation, however, is more complex and provides specific examples to assist in determining coverage:

- a. Service is localized in MA
 - the individual performs the work entirely in MA
 - the individual performs the work within MA and outside MA, but the work outside of MA is incidental to the work within MA

This individual is covered under MA PFML.

- b. Service is not located in any one state, but some part of the service is performed in MA AND
 - the individual’s base of operations is in MA, or, if there is no base of operations, the place from which service is directed or controlled, is within MA

This individual is covered under MA PFML.

OR

- the individual’s base of operations or place from which such service is directed or controlled, is not in any state in which some part of the service is performed, BUT the individual’s residence is in MA

This individual is covered under MA PFML.

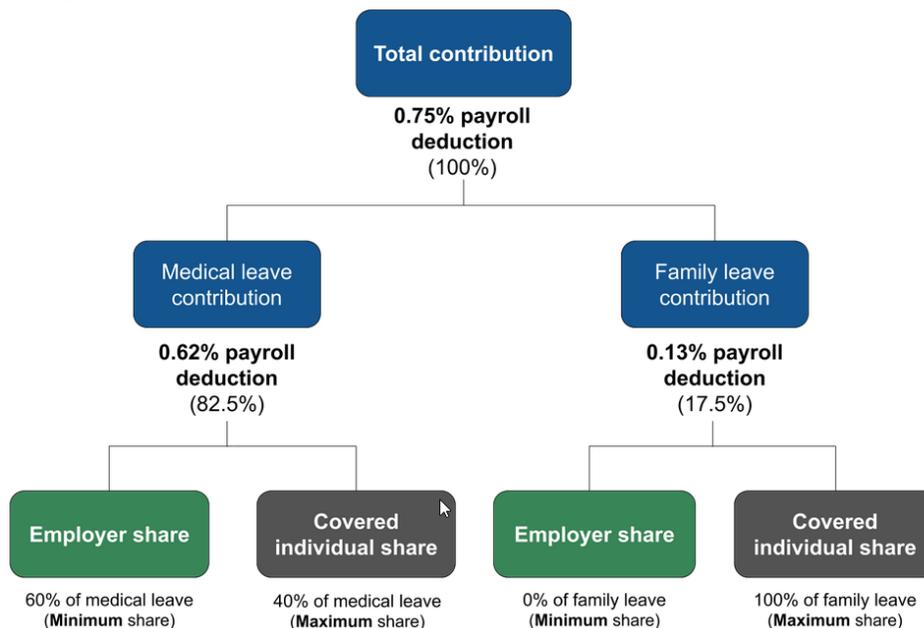
Contributions

The contribution rate for 2019 is:

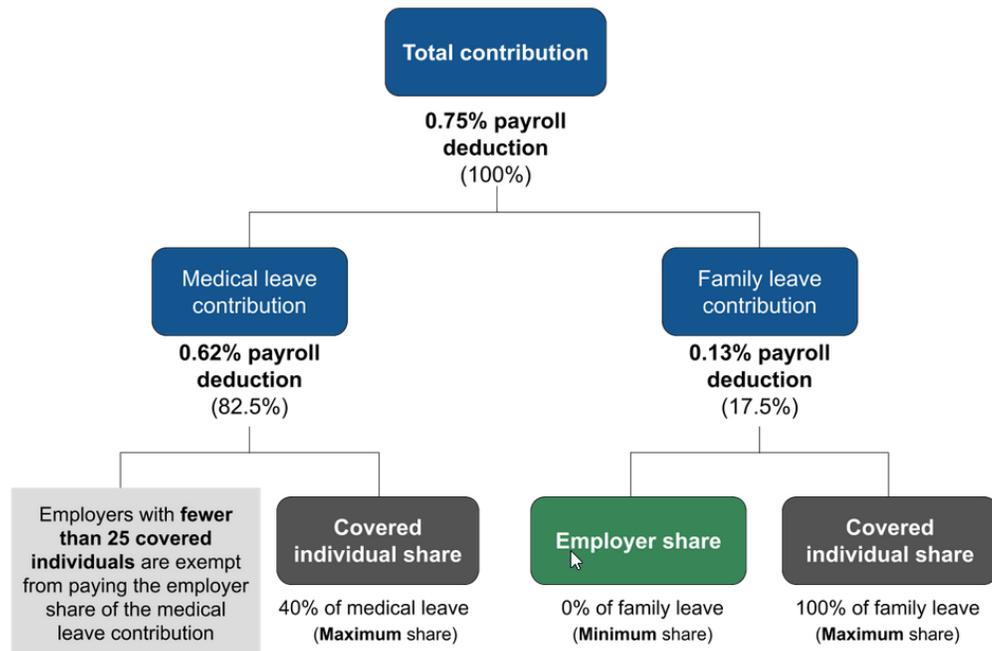
0.75% (0.0075) of earnings up to the maximum taxable earnings as established by the Social Security Administration - which for this year is \$132,900. This amount is further split as follows:

Medical leave	0.62% (0.0062) of earnings
Family leave	0.13% (0.0013) of earnings

Employers with 25 or more workers in Massachusetts will be required to pay at least 60% of the contribution for medical leave, while the remaining 40% of the medical leave and 100% of the family leave may be deducted from their workers.



Employers with fewer than 25 workers in Massachusetts are **not** required to pay any portion of the contributions and can deduct 40% of the medical leave and 100% of the family leave from their workers.



Employers may also, at their discretion, elect to deduct differing percentages from the wages/payments of different groups of covered individuals – but it may not deduct more than the maximum percentages authorized.

Reporting

Contributions will be paid quarterly with the contribution amount based on the employer’s quarterly reports.

The quarterly reports and contributions will be submitted through the Department of Revenue’s MassTaxConnect System. CheckWriters will remit these contributions and submit the tax reports on behalf of our applicable clients.

Employer Notification Requirements

- Employers must post the Paid Family and Medical Leave mandatory workplace poster. [Mandatory Poster](#)
- On, or before September 30, 2019, employers must provide their covered individuals with written notice of MA PFML contributions, benefits, and workforce protections. [Employer Written Notices to Workers - select document matching your size](#) Use the same web location for 1099-MISC workers [1099 Worker Notices](#). If you provided written notices to your workforce prior to the June 14 delay announcement, you will need to provide them with a [Rate Update Sheet](#) explaining the new dates and contribution rates. This sheet doesn’t have to be signed by the covered individual, but you’ll need to keep a record of its

distribution. All completed forms should be retained in your files – do not send these forms to CheckWriters or the MA Dept of PFML.

- Employers must also collect a signature, from their covered individuals, acknowledging receipt of the MA PFML notice.
- These notifications are also available on the MA PFML website in a variety of languages [Notifications for multiple languages](#).

Employer Private Plans

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 medical leave or paid family leave under MA PFML.

To be granted an exemption, the benefits offered to your employees by your private plan must be greater than or equal to the benefits provided by the MA PFML law and must not cost your employees any more than they would be required to contribute to the state plan.

If you're interested in applying for an exemption from contributing to family leave, medical leave, or both, you will need to submit an annual approved plan application to the Department of Family and Medical Leave (DFML). The electronic approved plan application is available through MassTaxConnect. The exemption deadline for the October 1 start has been extended to 12/20/2019.

Employers applying for an exemption will receive an email notification within 1-2 business days indicating that a determination has been made. Once you've received this notification, you can log into MassTaxConnect to review the decision.

- If the exemption is approved, you'll be asked to upload a copy of the plan on which the exemption is based.
- If the exemption is denied, you'll be notified why it was denied. If you disagree with the basis for denial, you may request a follow-up review.

If you're granted an exemption your employees will still be entitled to rights and protections. These include:

- The right to an appeal if their application for benefits is denied
- The right to job protection during any leave taken
- Protections against retaliation from taking leave or exercising other rights under the PFML law

The Department website identifies the minimum requirements with respect to plan design and cost for a private plan to be compliant [PFML Exemption Information](#).

Qualifying Reasons for Paid Family and Medical Leave with Timelines

Massachusetts covered workers will be entitled to receive, on an annual basis:

- Medical leave of up to 20 weeks for the covered individual's own health condition.
- Family leave of generally up to 12 weeks to care for family members.
- Combined medical and family leave of up to 26 weeks.

October 1, 2019 – payroll contributions to fund the MA PFML program begin.

January 1, 2021 – Paid medical leave benefits will be available to support covered workers who take leave as a result of serious personal health condition.

Paid family leave benefits will also be available to support covered workers who take leave in order to bond with a new child and to address needs relating to a family member who is a covered service member of the armed forces.

July 1, 2021 – Paid family leave benefits will be available to support covered workers for the care for any family member with a serious health condition.

Once a claim is approved, a 7-calendar day waiting period applies to the initial benefits claim.

The weekly benefit amount calculation is based on the individual's average weekly wage per the quarterly reports that have been filed with the MA DOR.

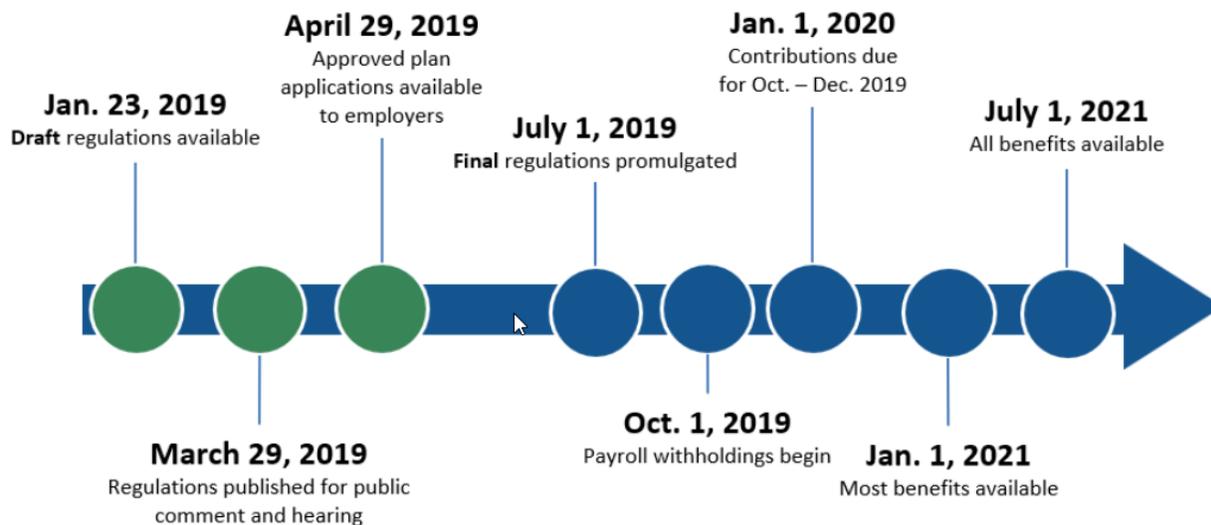
- The initial weekly benefit maximum is \$850.00.
- The benefit maximum will be adjusted each calendar year based on 64% of the state average weekly wage.
- All benefits will be offset by any government program, including workers' compensation. However, certain disability coverages will not require an offset.

For purposes of paid family leave, an employee's family member includes the employee's:

- Spouse or domestic partner
- Child (biological, adopted, foster, legal ward or child to whom the employee stands *in loco parentis*—that is, in place of a parent—or a person to whom the employee stood *in loco parentis* when the person was a minor)
- Parent, including parents-in-law and a parent of the employee's domestic partner
- Grandchild and grandparent
- Siblings

A person who stood *in loco parentis* (in place of a parent) to the employee when the employee was a minor is also included in the definition of family member.

The following is the MA PFML updated timeline on what employers and workers can expect:



Additional Resources

The Department of Family and Medical Leave has provided employers with helpful resources:

[PFML Info for Employers](#)

[Calculate Your Paid Family and Medical Leave Contributions](#)

Support from CheckWriters

Payroll

CheckWriters will calculate, collect and remit your MA PFML contributions, and, on a quarterly basis, will report the pertinent information to the MA Department of Revenue.

In order to properly setup your 2019 contribution figures, CheckWriters will require the breakdown of your employee leave and family leave contribution amounts – the document required to transmit this data must be submitted to your Account Specialist by August 31st. If you have already provided your form **AND you do not want to make any changes, we will use the original submittal.**

Benefits

It is anticipated that private plans will be available, for either family leave, medical leave, or both, later this year or in early 2020. At that time, the CheckWriters Benefits group will provide you with price proposals from participating Insurance Carriers.

HR Consulting

MA PFML runs concurrently with various federal and Massachusetts leave programs. We can assist with any policy or handbook updates that you may require.

Contact Info:

www.CheckWriters.com

(413) 734-1351

(888) 243-2555

IMPORTANT Client Notice – Response required by August 31st

Massachusetts Paid Family and Medical Leave (MA PFML)

Contributions for MA PFML will begin on 10/1/19. Please complete this document to authorize CheckWriters to process, report and deposit your MA PFML contributions with the Massachusetts Department of Revenue.

To guarantee timely compliance with MA PFML requirements, this form must be completed and returned to your CheckWriters Account Specialist no later than 8/31/2019. If you have previously submitted this form, you DO NOT need to send again!

_____	_____
(Employer Organization Name)	Payroll Code – 4 digit

(Authorized Contact completing this form)	

(Authorized Contact email address and phone number)	

(Signature of Authorized Contact)	

Please note the following:

- All employers participating in PFML must be registered with the MA Department of Revenue, and, we strongly recommend that you add CheckWriters to your account as a Professional Tax Preparer (PTP).
- We will assign the contribution option you select to all employees subject to MA unemployment tax. If you need reporting on 1099-MISC contractors, please contact your Specialist to set this up.

Select only **ONE** of the following options:

Option 1:

_____ By selecting this option, I certify that our company meets the **under 25 Massachusetts workers threshold**, and we will contribute the minimum required amount for Employers of our size; Medical leave (0% Employer/40% Employee), Family leave (0% Employer/100% Employee).

Option 2:

_____ By selecting this option, I certify that our company meets the **25 and over Massachusetts worker threshold**, and we will contribute the minimum required amount set for Employers of our size; Medical leave (60% Employer/40% Employee contribution), Family leave (0% Employer/100% Employee).

Option 3:

_____ By selecting this option, our company elects (*in compliance with our total MA workforce size for purposes of the PFML law*) to set our contributions as follows:

- Medical leave _____% Employer contribution _____% Employee contribution
- Family leave _____% Employer contribution _____% Employee contribution

Please email or fax (413-736-2328) this document to your Account Specialist.