Massachusetts Officially Amends Paid Family Leave Law; Announces Other Changes

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After announcing an agreement to delay the start of contributions under the Massachusetts Paid Family and Medical Leave Act (PFMLA), the legislature passed a bill amending the law that the Governor subsequently signed and enacted on June 13, 2019. As announced, PFMLA contributions will begin on October 1, 2019, rather than July 1, 2019.

The other amendments are technical in nature and add clarity to some existing definitions of intermittent leave and serious health conditions (or "what constitutes a serious health condition").

In response to the amendments, the Massachusetts Department of Family and Medical Leave announced a number of changes involving the contribution rate, notice requirement, plan exemptions, and the publication of the final regulations. The contribution rate will increase to 0.75% of employee gross earnings, while the deadlines to notify employees of the law and apply for a "private plan" exemption have been delayed until September 30, 2019, and December 20, 2019, respectively. The Department will publish the final regulations on June 17, 2019.

Contribution Increase

The Department announced that the contribution rate, previously 0.63% of employee gross earnings up to the social security maximum, will increase to 0.75% of employee gross earnings. This increase is meant to offset the three-month delay in collections from July 1, 2019 to October 1, 2019.

It is unclear whether the Department also will change the current percentage split between family leave contributions and medical leave contributions or adjust the split between required employer contributions and permissible employee withholdings. As of now, those percentage splits have *not* been changed.

Notice to Employees

In recognition of the delay in contributions, the Department also has delayed the notice deadline. A previous update mandated that employers notify employees of the planned withholdings and their rights under the law by June 30, 2019. Due to the delay, the Department has extended the deadline to notify employees to September 30, 2019.

The Department likely will change the contents of the current notice before September, so employers that already have distributed notices should be prepared to distribute new notices prior to September 30.

Private Plan Exemptions

The Department also has extended the deadline to apply for a private plan exemption

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that will excuse an employer who maintains a qualifying private plan from making the initial contributions. The new deadline to apply for a private plan exemption for the first quarter of contributions is December 20, 2019. However, if an employer's exemption does not receive approval before December 20, 2019, it will be responsible for remitting the full contribution amount from October 1, 2019, forward.

Publication Date for Final Regulations

The Department also announced that the final regulations regarding the PFMLA will be published on the Department's website on June 17, 2019. The draft regulations, first released in January 2019, have undergone significant revisions and public comment. With the release of the final regulations, employers will gain much-needed clarity regarding the law and have time to prepare for the start of contributions in October.

Please contact a Jackson Lewis attorney with any questions regarding these new developments.

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