

Alert | Labor & Employment



September 2019

Massachusetts Paid Family and Medical Leave Payroll Deductions Begin Oct. 1, 2019

For those companies employing Massachusetts workers, payroll withholdings to fund the leave program established by the Massachusetts Paid Family and Medical Leave Act (PFML) will begin Oct. 1, 2019.

As reported in previous GT Alerts (see [July 2018](#) and [May 2019](#)), the PFML provides eligible employees with paid medical and family leave benefits effective Jan. 1, 2021. Individuals will be entitled to up to 20 weeks of paid medical leave and 12 weeks of paid family leave per year, with a combined maximum amount of family and medical leave of 26 weeks per year. The benefit amount is based on an individual's earnings and is capped at \$850 per week.

To fund these benefits, employers are obligated to make payroll deductions beginning Oct. 1, 2019.

Employer Contribution Obligations

Employers are responsible for remitting family and medical leave contributions to the Massachusetts Department of Family and Medical Leave on behalf of covered individuals. The contribution rate under the PFML is 0.75% of gross wages. The contribution rate is subject to adjustment on an annual basis. The medical leave contribution represents 0.62%, and the family leave contribution represents 0.13%.

The law permits the contribution to be allocated between the employer and its employees as follows: For employers with 25 or more employees, the employer is required to pay a minimum of 60% of the medical leave contribution, and 0% of the family leave contribution. The remainder of the required contributions may be deducted from wages. Employers with fewer than 25 covered individuals are not required to pay any of the employer's share of contributions, but still must deduct and remit payroll contributions on behalf of their employees.

The PFML follows the same annual income limits as those set by the Social Security Administration for Social Security withholdings. The 2019 annual income limit is set at \$132,900.

Deadlines and Notice Requirements

Sept. 30, 2019: Deadline to post workplace notice. The PFML requires employers to post “in a conspicuous place on each of its premises a workplace notice prepared or approved by the Department of Family and Medical Leave.”

Sept. 30, 2019: Deadline to provide individual written notices. The PFML requires that employers provide a written notice to each employee setting forth information, including an explanation of benefits, contribution amounts, and legal protections.

Links to a model workplace poster and employee notice (in English and several other languages), prepared by the Department of Paid Family and Medical Leave, can be found on the Department's website: <https://www.mass.gov/lists/paid-family-and-medical-leave-downloads-for-massachusetts-employers>.

Oct. 1, 2019: The quarter beginning Oct. 1 is the first quarter for payroll withholdings. Employers must begin deducting payroll contributions for MA W-2 employees (and, in some cases, MA 1099 contractors) for required payroll withholdings for the Oct. 1 to Dec. 31 quarter.

Jan. 31, 2020: Wage withholdings and employer contributions are due 30 days following the conclusion of each quarter. Jan. 31, 2020, is the deadline for employers to remit withholdings and contributions for the previous calendar quarter (October-December). Payments will be made through the MA Department of Revenue's MassTaxConnect program.

Jan. 1, 2021: Covered individuals may begin to take paid leave.

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