

Alert | Labor & Employment



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Changes Ahead for Massachusetts Paid Family and Medical Leave Benefits, Contribution Rates

The Massachusetts Paid Family and Medical Leave Act (PFMLA) has been amended, effective Nov. 1, 2023, to permit employees to supplement PFMLA benefits with accrued paid leave. In addition, contribution rates and weekly benefit amounts under the PFMLA will be increased, effective Jan. 1, 2024. The PFMLA provides eligible employees in Massachusetts with paid medical and family leave benefits. Individuals are 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.

‘Topping Off’ Benefits

Under current law, employees cannot use accrued paid leave in any period during which they receive PFMLA benefits. Accrued paid leave can only be used during the seven-day unpaid waiting period unless the employee elects to use accrued paid leave instead of receiving PFMLA benefits. Pursuant to a law passed in conjunction with the recently enacted Fiscal Year 2024 Budget for the Commonwealth of Massachusetts, the PFMLA has been amended to permit employees to supplement PFMLA benefits. Specifically, employees may elect to “top off” the amount of PFMLA benefits with accrued paid leave, such as vacation leave or other paid time off to receive up to 100% of wage replacement. This change in the law is effective Nov. 1, 2023.

Increase in Weekly Benefit Amount

In a separate development, the Massachusetts Department of Family and Medical Leave has announced that effective Jan. 1, 2024, the maximum weekly PFMLA benefit amount that eligible employees may receive will be \$1,149.90 per week. This is an increase from the 2023 maximum benefit amount of \$1,129.82 per week.

Contribution Rate Increase

Effective Jan. 1, 2024, the PFMLA contribution rate will increase from 0.63% to 0.88% of eligible wages for employers with 25 or more covered individuals. The 0.88% contribution rate is split between the medical leave contribution of 0.70% and the family leave contribution of 0.18% of an individual's eligible wages. Employers may withhold up to 0.28% of eligible wages for an employee's medical leave contribution and up to 0.18% of eligible wages for an individual's family leave contribution. Employers must contribute the remaining 0.42% of eligible wages on behalf of employees for medical leave.

Effective Jan. 1, 2024, the PFMLA contribution rate for employers with fewer than 25 covered individuals will increase from 0.318% to 0.46%. 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.

Employers with a private or self-insured plan that has been approved by the Department of Family and Medical Leave will be required to adjust their private plan to reflect the new employee contribution rates and maximum benefit amounts. Private plans are already permitted the option to top off family and medical leave benefits with accrued paid leave.

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