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Massachusetts to Delay Paid Family and Medical Leave Contributions for Three Months

On June 11, Massachusetts Governor Charlie Baker and legislative leaders agreed to a three-month delay of required contributions under the commonwealth's Paid Family and Medical Leave Law. The legislature will still need to pass a bill to push the looming start date for payroll deductions from July 1 to October 1, 2019 and make other technical changes to the new law. Employers will want to follow developments closely.

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Background

Last year, Governor Charlie Baker signed into law a bill creating a family and medical leave program that will require employers with at least one employee working in Massachusetts to provide paid leave benefits through a state-administered program beginning in 2021. The program will require Massachusetts employers to provide a combined amount of up to 26 weeks of paid family and medical leave in a benefit year. Paid family leave may not exceed 12 weeks and medical leave may not exceed 20 weeks in a benefit year.

Benefits under the Massachusetts Paid Family and Medical Leave Law (PFMLL) will be funded through a payroll tax, slated to begin on July 1, 2019. Required contributions to support both types of covered leave will be allocated between employers and employees. The initial contribution rate was scheduled to be 0.63% of wages or other qualifying earnings up to the limit established annually by the federal Social Security Administration for purposes of the Federal Old-Age, Survivors, and Disability Insurance program. (See our [February 28, 2019 For Your Information](#).)

Payroll tax delayed

On June 11, Massachusetts Governor Charlie Baker, Senate President Karen Spilka, and House Speaker Robert DeLeo issued the following [joint statement](#) confirming their agreement to amend the PFMLL and to make several changes to the commonwealth's paid leave program.

“To ensure businesses have adequate time to implement the state’s Paid Family and Medical Leave program, the House, Senate, and Administration have agreed to adopt a three-month delay to the start of required contributions to the program. We will also adopt technical changes to clarify program design. We look forward to the successful implementation of this program this fall.”

With leave benefits set to become available in January 2021, it appears likely that the contribution rate will increase from 0.63% to make up for the three months of lost contributions. It is unclear whether the current June 30 deadline for distribution of required employee notices will also be extended.

Last month, business and advocacy groups proposed clarifying amendments to the PFMLL on intermittent leave and the definition of “serious medical condition” as well as changes to better align the commonwealth’s law with the federal Family and Medical Leave Act. Whether these issues will be addressed in technical changes adopted by the legislature remains to be seen.

In closing

Employers should follow developments closely but continue planning how best to integrate the new entitlement into their leave programs. We will provide updates as further details emerge.

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