

# FYI<sup>®</sup>

## For Your Information<sup>®</sup>

### **Massachusetts PFML contribution rates drop and benefit amounts increase for 2022**

On October 1, the Massachusetts Department of Family and Medical Leave updated the employer contribution rates and benefit amounts under the commonwealth's Paid Family and Medical Leave (PFML) Law. Effective January 1, 2022, the overall PFML contribution rate will drop to 0.68% of eligible wages and the maximum weekly benefit will increase to \$1,084.31.

#### **Background**

In 2018, Massachusetts enacted what was then the nation's most generous paid family and medical leave (PFML) program, with benefits funded through a payroll tax. (See our [July 25, 2018 FYI](#).) The state-administered program provides paid medical leave benefits for the employee's own serious health condition and paid family leave benefits for:

- Bonding with a child during the first 12 months after birth or placement for adoption or foster care
- A qualifying exigency arising out of a family member's active duty or impending call or order to active duty in the Armed Forces
- Care of a family member who is a covered servicemember with a serious injury or illness incurred or aggravated in the line of duty
- Care of a family member with a serious health condition

Eligible workers are entitled to up to 20 weeks of paid medical leave in a benefit year and up to 12 weeks of paid family leave, with a combined maximum of 26 weeks in any year. However, up to 26 weeks of paid family leave in a benefit year may be taken to care for a covered servicemember. PFML benefits became available to qualifying individuals starting in 2021.

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## Contribution rate

The Massachusetts Department of Family and Medical Leave (DFML) establishes contribution rates and weekly benefit amounts under the PFML law annually. Currently, the benefit contribution rate is 0.75% of eligible wages (wages up to the Social Security contribution limit). On October 1, the DFML announced that the overall PFML contribution rate will decrease to 0.68% of eligible wages, effective January 1, 2022.

While employers with more than 25 employees have to make the full contribution, they are able to deduct a portion from employees' wages. For the family leave contribution, employers may withhold 0.12% of eligible wages. For the medical leave contribution, employers may withhold 0.224% of eligible wages and are responsible for paying 0.336% of eligible wages (the employer share) directly.

Employers with fewer than 25 employees must collect and remit an effective contribution rate of 0.344% of eligible wages. They may withhold 0.12% of eligible wages for the family leave contribution and 0.224% of eligible wages for the medical leave contribution, but have no obligation to pay the employer share for medical leave.

## Weekly benefit amount

Benefit amounts are based on the employee's average weekly wage, currently capped at \$850 per week. The PFML benefit is adjusted annually based on the average weekly wage in Massachusetts.

For 2022, the maximum weekly PFML benefit for eligible individuals will increase to \$1,084.31 per week. The higher benefit cap reflects the increase from \$1,487.78 to \$1,694.24 in Massachusetts' average weekly wage.

## In closing

Massachusetts employers, including those with private plans, should ensure that their PFML policies, notices and payroll systems are updated to reflect the new contribution rate, withholdings, and benefit amounts effective January 1, 2022.

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