

Prepare for Paid Family and Medical Leave — Coming Soon to Massachusetts and Washington DC

The following provides important information for Massachusetts and Washington DC employers as the rollout of Paid Family and Medical Leave (“PFML”) begins shortly in these locations.

Massachusetts

Employers with employees and/or independent contractors in Massachusetts will begin collecting employee contributions on July 1, 2019 to fund the paid family and medical leave benefits that may be taken as of January 1, 2021. Employers may opt to pay all or a portion of the employee’s share of the PFML premium.

According to the website, by **May 31, 2019** employers must issue notices to employees and independent contractors with important information about the program. A [poster](#) that is now available must be displayed in a prominent location by **July 1, 2019**.

The Department of Family and Medical Leave has created a [website page](#) with the workplace poster, sample notices and other information regarding communication requirements. The following should be noted:

- There are separate notice templates for employees and independent contractors for whom you report wages on Form 1099-MISC.
- Employers will need to include certain information in the notice such as: (i) how much the employer will contribute toward the program, (ii) whether the employer offers a private plan (benefits at least as favorable) in lieu of the state plan, and (iii) whether the employer is considered a “covered entity” which is a business or trade that contracts with self-employed individuals for services and is required to report the payment to such individuals on IRS Form 1099-MISC for more than 50% of its workforce.
- Employees and independent contractors must acknowledge receipt of the notice. The issuance of the notice as well as an employee/independent contractor acknowledgement may be provided electronically.
- Employers providing a paid family and or medical leave benefit greater than or equal to the state PFML benefit may receive an exemption from collecting, remitting, and paying contributions for the state plan. Exemption applications will be available electronically through **MassTaxConnect** beginning April 29.
- Employers must issue these notices to new employees and independent contractors within 30 days of employment.
- Failure to comply with notice requirements can lead to penalties ranging initially from \$50 per violation to \$300 per violation.

Washington DC

Effective **July 1, 2019** employers with employees in Washington DC (“District”) who are subject to unemployment insurance will be assessed a new tax of **.62% of gross wages** to pay for paid family and medical leave under the Universal Paid Leave Act (“UPLA”). This benefit, unlike other states, is *funded entirely by employer contributions*. Wage reports along with the UPLA tax payments are due by the last day of the month following the end of a calendar quarter.

Beginning **July 1, 2020** qualifying employees, generally individuals who work 50% or more in the District and have worked at least 52 calendar weeks prior to the qualifying event, will be able to take paid leave following a one week waiting period to:

Qualifying Event	Leave Duration within 52-Week Period
Care for a family member with a serious health condition	6 weeks
Bond with a child within 12 months of birth, adoption, placement in foster care, or legally assuming parental responsibility	8 weeks
Care for their own serious health condition	2 weeks
Maximum leave duration regardless of number of qualifying events in 52-week period: 8 weeks	

Eligible employees will be entitled to a weekly benefit based on their average weekly wage (“AWW”) as follows:

- 90% x AWW less than or equal to 150% x District Minimum Wage x 40, plus
- 50% x AWW in excess of 150% x District Minimum Wage x 40.
- Initial weekly maximum benefit is \$1,000.

Self-employed individuals may opt-in to the paid family leave program during the first 90 days after the Office of Paid Family Leave begins to collect contributions which begins October 1, 2019.

The Office of Paid Family Leave will provide the required paid leave notice and beginning **July 1, 2019**, employers will be responsible for posting and maintaining this notice in a conspicuous place at their worksites. Employers will also be responsible to issue a notice upon hire, annually and when leave is requested.

The Washington DC unpaid Family and Medical Leave Act (“DCFMLA”) continues to apply and will run concurrently with the UPLA. In addition, UPLA does not contain job protection rights however; DC employees who work for a covered employer with 20 or more employees and whose leave also qualifies under the DCFMLA will continue to enjoy job protection rights while out on leave.

More information about UPLA can be found on the District [website](#).

ADDITIONAL INFORMATION

For specific questions concerning information contained in this **UPDATE**, please contact your CohnReznick Benefits consultant. Information contained in this **UPDATE** is not intended to render tax or legal advice. Employers should consult with qualified legal and/or tax counsel for guidance with respect to matters of law, tax and related regulation. CohnReznick Benefits Consultants provides comprehensive consulting and administrative services with respect to all forms of employee benefits, risk management, qualified and non-qualified retirement plans, and compensation and human resources. For additional information about our services, please contact us at 516.683.6100 or mail@CohnReznickBenefits.com