

# COMPLIANCE ALERT

## MASSACHUSETTS CLARIFIES PAID FAMILY AND MEDICAL LEAVE DELAY

June 14, 2019

In welcome news to Massachusetts employers, the Department of Paid Family and Medical Leave (DPFML) just provided much-needed answers to questions raised by the Legislature's three-month delay of the nascent paid leave law.

### **Delayed, But Increased, Contributions**

Contributions will officially begin on October 1—but not at the .63% rate as originally intended. Instead, the contribution will increase to .75% in order to account for the three months of funding that was eliminated by the delay. It is unclear if the contributions will ever revert to .63%, but DPFML has the authority to change the rate annually.

It does not appear that DPFML will change the allocation of the contribution between medical and family leave. That allocation will remain at 82.5% for medical leave and 17.5% for family leave.

### **More Time for Notice and Exemption Applications**

A common question after the delay was announced was whether it impacted the notice and poster requirements. The answer is yes. The new deadline is September 30. The DPFML will update its model notice and posters accordingly.

The deadline for applications for private plan exemptions has also been pushed back by three months until December 20. This should permit employers enough time to evaluate whether a private plan makes sense, while also giving insurers time to create a compliant insurance product.

### **Final Regulations Forthcoming**

After a long notice-and-comment period, the final regulations will arrive on June 17. They will be codified at 458 CMR 2.00. It is unclear what, if anything, DPFML has changed from its March 29 draft regulations, but the final regulations will at least provide concrete guidance for the Commonwealth's employers.

### **Stay Tuned For More**

We will continue to monitor further developments and provide updates on this issue affecting Massachusetts employers. If you have follow-up questions, please contact Terri Stewart at Fisher Phillips ([tstewart@fisherphillips.com](mailto:tstewart@fisherphillips.com)) (404) 240-4247).

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