

CLIENT ALERT: Massachusetts Has Agreed to Adopt a 3-Month Delay to Paid Family and Medical Leave Contributions - By Jaclyn L. Kugell and Tracy Thomas Boland

Late yesterday (June 11, 2019), Governor Charlie Baker, Senate President Karen Spilka and House Speaker Robert DeLeo issued the following joint statement:

“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.”

A bill will now have to be introduced and passed. That should happen quickly, but until we see it, we cannot be sure of all the details related to this delay. The most pressing open question for most employers is whether the June 30 deadline for notices stands or if that also will be delayed by three months. While that has not yet been addressed by the State, we are hearing that the contribution rate is going to change from 0.63% to 0.75% of covered wages to make up for the lost contributions due to the delay in implementation. If that is the case, notices and posters will have to be re-issued to reflect the new numbers and we expect the deadline for those publications to be delayed as well.

MBJ will issue another client alert as soon as more information is available.

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