Leave of Absence: Pay Options

If I am on an approved family or medical leave, how will I be paid?

Background

The Paid Family and Medical Leave (PFML) law provides temporary income replacement to eligible workers who are welcoming a new child into their family, are struck by a serious illness or injury, need to take care of an ill or ailing relative, and for certain military considerations.

Beginning November 1st, eligible employees taking approved qualifying leaves may now use their accrued paid leave, such as sick time, vacation time, and personal time, to "top off" benefits received from the DFML in order to receive their regular salary during their leave of absence, as though they had continued working.

You can find additional information about the available income options for employees of the Executive Department taking approved family and medical leave using the link below. For help with additional questions, please contact your HR department's Workpartners Liaison. A list of Workpartners Liaisons and their contact information by department is available at www.mass.gov/workpartners.

Option 1: Accrued Paid Leave

What is this option?

• You can use your sick or vacation time to receive your salary during your leave. All of your regular payroll deductions, sick and vacation time accruals, and credit for retirement remain in place.

How does it work?

- You will use your accrued sick time first, followed by your accrued vacation time and personal time in the order that you choose.
- You or the person in charge of your timesheet will enter your sick, vacation, and/or personal time in your timesheet so that you receive your regular paycheck.
- By using your accrued paid leave, your normal payroll deductions will continue, and you will continue to accrue sick time, vacation time, and creditable service for retirement purposes.

How do you use this option?

- After contacting Workpartners to request a leave of absence, contact your HR department's Workpartners Liaison to discuss the order in which you want to use your accrued vacation and personal time after using your sick time. This process will involve you completing Leave of Absence: Pay Preference Form.
- A list of Workpartners Liaisons and their contact information by department is available at www.mass.gov/workpartners.

How will you be paid and how frequently?

• You will receive your regular direct deposit from your employer on your department's regular paydays, which is every other Friday in most cases.

Example:

• John needs to take four weeks of leave. He elects to use 150 hours of his sick time to receive his regular paycheck. He continues to accrue sick time, vacation time, and credit for retirement.

Option 2: PFML Income Replacement, with Top-Off

What is this option?

• If approved for benefits from the DFML, you can use your sick or vacation time to make up the difference between the payment from the DFML and your average weekly wage.

How does it work?

- You will receive payments from two different sources: DFML and from your employer.
- DFML calculates the benefit amount that they will pay you per week based on your actual wages within the year before the start of your leave, referred to as your individual average weekly wage (IAWW). When your employer receives this information from DFML, they will calculate the top-off or difference (in dollars) between your benefit amount from DFML and your IAWW. Your employer will pay you that dollar amount and reduce your accrued sick, vacation, and/or personal time balances equivalent to that dollar amount.

How do you use this option?

- After contacting Workpartners to request a leave of absence, contact your HR department's Workpartners Liaison to complete a Leave of Absence: Pay Preference Form, which outlines your top-off plan. This plan is unique to you, based on your available accrued sick time, vacation time, and personal time. A list of Workpartners Liaisons and their contact information by department is available at www.mass.gov/workpartners.
- After filing an application for leave with Workpartners and completing a Pay Preference Form with your HR department's Workpartners Liaison, file an application with the Department of Family and Medical Leave at: <u>https://www.mass.gov/how-to/how-to-apply-for-paid-family-and-medical-leave-pfml</u>

How will you be paid and how frequently?

- Depending on DFML's processing time, your first payment from DFML may start one or more weeks after you have started your leave. Going forward, DFML will pay your PFML income replacement benefit weekly, on or around Thursday, via paper check or direct deposit, depending on the payment method you selected in your application.
- Once your employer receives your benefit amount and IAWW from DFML, they will need at least one payroll cycle to process your first top-off payment, which may be at least two weeks.
- Going forward, you can expect your top-off payments on your department's regular paydays, which is every other Friday in most cases.
- All top-off payments from your employer will be paid by your regular direct deposit.

Example:

• John elects to apply for PFML benefits from the DFML and asks to top off with his sick time. John's IAWW is \$1600. He is approved to be paid \$1,100 per week from the DFML. He will be

paid \$500 per week from his employer as a top-off and charged 12.5 hours of sick time each week because 12.5 hours of sick time at John's regular hourly pay rate equals \$500.

• The \$500 is subject to state and federal tax and usual payroll deductions, such as group health insurance. John will receive pro-rated sick and vacation time accruals but no credit for retirement.

Option 3: PFML Income Replacement, without Top-Off

What is this option?

• If approved for benefits from the DFML, you will only receive a payment from the DFML. Because there is no payment from your employer, you may be direct billed by the Group Insurance Commission (GIC) for your insurance premiums, and there is no credit for retirement.

How does it work?

- The Department of Family and Medical Leave (DFML) will <u>not</u> pay you during the first seven (7) calendar days of your leave of absence because of a waiting period. During that waiting period, you may use your accrued paid leave or go unpaid.
- DFML calculates the benefit amount that they will pay you per week based on your actual wages within the year before the start of your leave, referred to as your individual average weekly wage (IAWW). You will receive a percentage of your IAWW from DFML and be unpaid by your employer.

How do you use this option?

- After contacting Workpartners to request a leave of absence, contact your HR department's Workpartners Liaison to complete a Leave of Absence: Pay Preference Form. A list of Workpartners Liaisons and their contact information by department is available at www.mass.gov/workpartners.
- After filing an application for leave with Workpartners and completing a Pay Preference Form with your HR department's Workpartners Liaison, file an application with the Department of Family and Medical Leave at: https://www.mass.gov/how-to/how-to-apply-for-paid-family-and-medical-leave-pfml

How will you be paid and how frequently?

 Depending on DFML's processing time, your first payment from DFML may start one or more weeks after you have started your leave. Going forward, DFML will pay your PFML income replacement benefit weekly, on or around Thursday, via paper check or direct deposit, depending on the payment method you selected in your application.

Example:

• Patty has no accrued paid leave available to use through her employer. She is approved by the DFML for a payment of \$1000 during her leave. She will be direct billed for her health insurance and will not accrue vacation, sick or credit toward retirement.