

Paid Family and Medical Leave



THE EXECUTIVE OFFICE OF LABOR AND
WORKFORCE DEVELOPMENT
Department of Family and Medical Leave



PFML

It's *your* business.

Are you PFML ready?
Massachusetts' **Paid Family & Medical Leave** program is here. Find out what you need to do to get your business ready. Visit mass.gov/pfml today.

Agenda

- Background
- PFML Benefits
- Employer Eligibility
- Employer's Responsibilities
- Private Plan Exemption Eligibility
- MassTaxConnect Overview

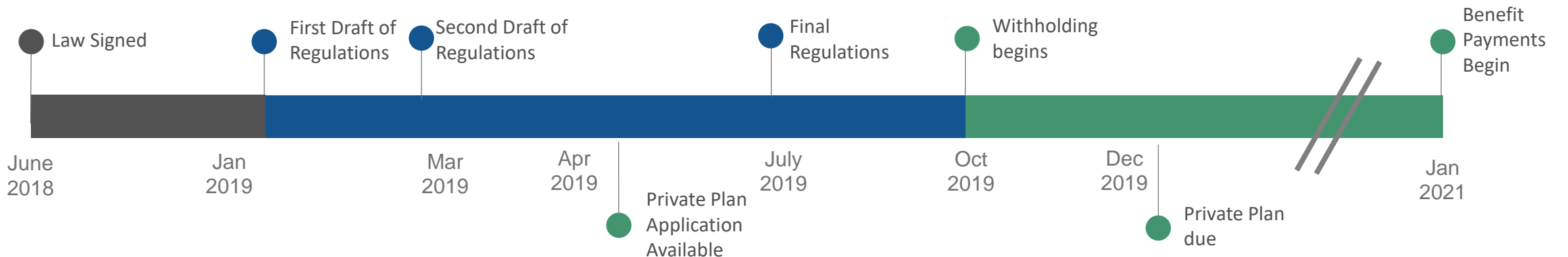
Objective

- Share parameters and requirements for PFML
- Provide specific filing and reporting specifications
- Address questions and issues proactively prior to the effective withholding date

The Grand Bargain: H.4640

Established:

- A Permanent Sales Tax Holiday
- Increase in the Minimum Wage
- A Paid Family and Medical Leave Program



PFML: The Short Story

What is PFML?

- PFML is a state-offered wage-replacement benefit for MA workers
- PFML is paid for through employee and employer contributions to a Trust Fund

What are the Design Principles for PFML?

- PFML leverages existing technology used by employers through MA DOR's MassTaxConnect
- PFML strives to be consistent with existing guidelines for Unemployment Assistance wherever possible.

When does PFML Begin?

- PFML withholdings begin with the first paycheck on or after October 1
- PFML benefits begin on January 1, 2021



PFML Benefits

What's Covered?

Family Leave

Medical Leave

Bonding



Leave to bond with the covered individual's child during

- the first 12 months after the child's birth or
- the first 12 months after the placement of the child for adoption or foster care with the covered individual

Up to 12 weeks

Caring



Leave to care for a family member with a serious health condition.

Up to 12 weeks

Active Duty



Leave arising out of the fact

- that a family member is on active duty or has been notified of an impending call or order to active duty in the Armed Forces or
- in order to care for a family member who is a covered servicemember.

Up to 26 weeks

Own Medical



Leave to care for an individual's own serious medical condition

Up to 20 weeks

Aggregate Up to 26 weeks in a benefit year

Job Protection & Non-Retaliation



Job & Benefits Protection

- An employee who has taken family or medical leave must be restored to the same position or an equivalent position with the same pay, status, benefits, length of service, and seniority as prior to the date of leave.
- Upon reinstatement, the employee is entitled to accrue vacation time, sick leave, bonuses, advancement, seniority, length of service credit, and benefits at the same rate as prior to the leave.
- Employer must continue to provide the employee the same health insurance benefits and may require employee contributions at the same level while on a leave.

Non-Retaliation Provisions

- It is unlawful to retaliate or threaten to retaliate by discharging, terminating, disciplining, suspending, threatening, or discriminating against an employee for exercising his or her rights to a leave.
- Employer may reasonably communicate with a worker while on leave and may require employee to comply with attendance or call-in procedures. An employee who fails to return to work at the expiration of the leave may be subject to discipline.
- There is a presumption that a negative change in status or other employment conditions during the leave or within six months is retaliation.
- Employees may institute a civil action in Superior Court for relief and damages.

Employer Eligibility

Which workers are eligible for PFML?



All Massachusetts W2 employees

- Individuals receiving W2 forms for services performed in the Commonwealth
- Individuals for whom you report wages to the Department of Unemployment Assistance
- Do not necessarily need to reside in Massachusetts



Certain Massachusetts 1099-MISC Workers*

- Individuals for whom you are required to report payments on IRS form 1099-MISC
- Need to:
 1. Be an individual (not a company)
 2. Reside in Massachusetts
 3. Perform services in Massachusetts
- Can't be defined as an Independent Contractor

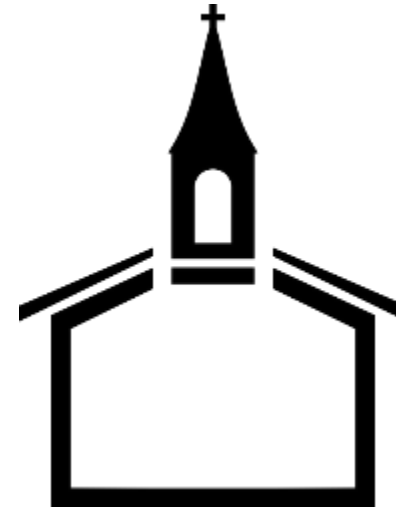
**Only covered if an employer has an average workforce of over 50% 1099-MISC workers*

- Most employers are subject to the law, regardless of size of their workforce
- If you are exempt from UI, you are exempt from PFML
- Reporting only applies to your **covered workforce**
- Contributions only apply to your **covered workforce**

What Employment is excluded from PFML?

Section 6 of the [Unemployment Statute](#) excludes:

- Services performed for a son, daughter or spouse
- If under 18, services performed for one's father or mother
- Services performed by inmates of penal institutions
- Employment in the railroad industry
- Services provided by real estate brokers/salespeople and insurance agents/solicitors in commission only jobs
- Newspaper sales and delivery by persons under 18
- Employment by churches and certain religious organizations
- Services of work-study students, student nurses and interns, work trainee programs administered by non-profit or public institutions



*This represents a partial list. Please refer to statute for the full list.

1099-MISC Worker Eligibility

NEW GUIDANCE:

The current interpretation of the regulations is that in order for a 1099-MISC worker to be considered a part of your MA workforce count, they must:

- **Perform services as an individual entity;**
- **Live in Massachusetts;**
- **Perform services in Massachusetts.**

In addition, the individual entity **MUST NOT** be an independent contractor.

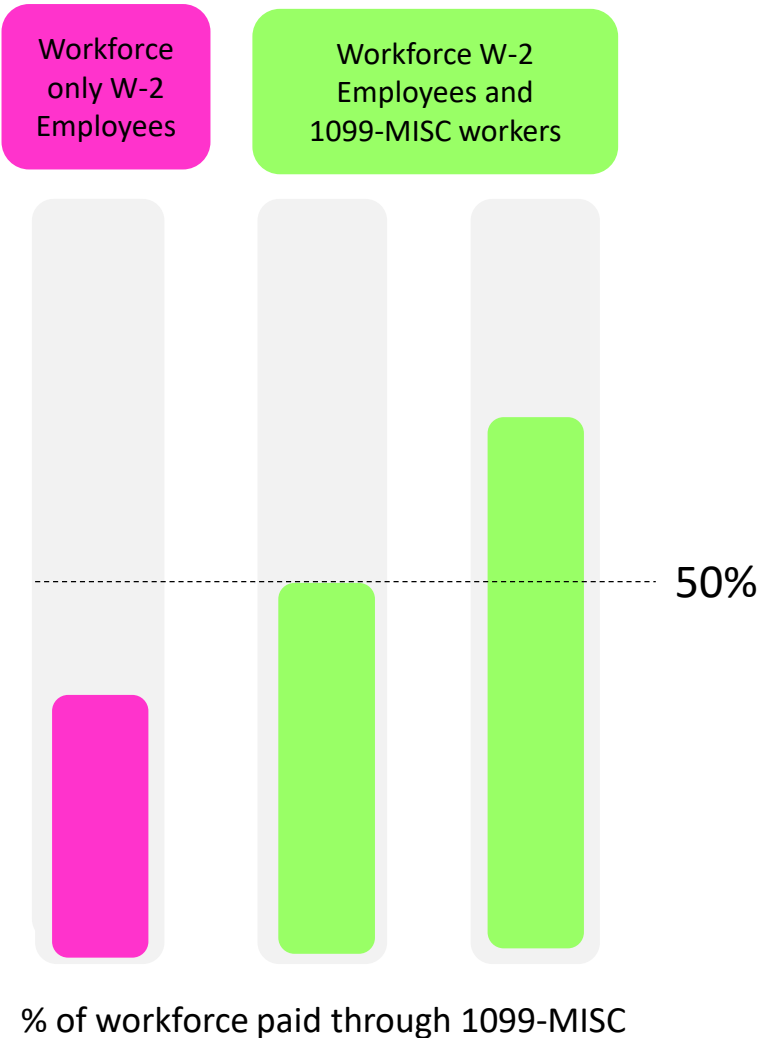
The requirements of whether an individual entity is an independent contractor is described in the [Independent Contractor Law \(M.G.L. c. 149, sec. 148B\)](#)



Employer's Responsibilities

Determine the Covered Workforce

Counting Your Workforce



All MA W-2 employees are part of their employer's workforce count.

Employers that structure their workforces to include 50% or more of their staff paid through 1099-MISCs are also required to withhold and make contributions on their behalf.

This is an **annual average per pay period** (the shortest pay period used by a business or trade for regular payments to any group of employees of the business or trade).

Example: Employer A pays bi-weekly.

They have 15 W-2 employees that worked all 52 weeks last year- 15 W2 employees receiving 26 pay checks each over 26 pay periods. **$15 \times 26 / 26 = \text{an average of 15 W-2 workers}$**

They also had 20 1099-MISCs that each worked 2 weeks - 20 1099 workers receiving 1 check each over 26 weeks. **$20 \times 1 / 26 = \text{an average of less than 1 1099-MISC worker}$**

In this scenario, 1099-MISC workers do not make up half of the total average work count and are, therefore, not covered individuals. **The employer's workforce count is 15.**

Contributions

Eligible Wages



Massachusetts W2 employees

- Wages paid for services provided on or after October 1, 2019
- “Wages” has the same meaning as under the UI statute
- Entities that are exempt from MA unemployment law are exempt from PFML.



Covered Massachusetts 1099-MISC Workers

- Payments for services provided on or after October 1, 2019
- Contributions based on **gross payments** reported on the 1099-MISC
- Over-withholding Refunds will be available for individuals that have been over withheld upon

Wages under UI and PFML

1. Salaries
2. Commissions
3. Bonuses
4. Reasonable cash value of board, rent, housing, lodging, payment in kind, and all remuneration paid in any medium other than cash
5. Employer contributions to a 401K qualified cash or deferred compensation plan Employer contributions to government retirement plans
6. Employer contributions under a nonqualified deferred compensation plan

VOID CORRECTED

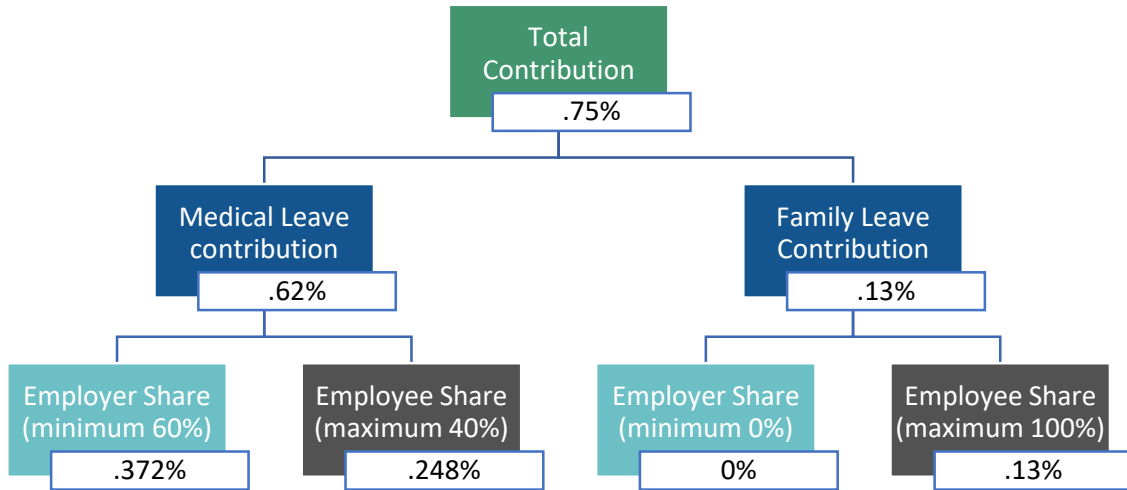
PAYEE'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.	2 PAYER'S EIN	3 PAYER'S UIC	4 Federal income tax withheld	5 State income tax withheld	6 Social Security tax withheld	7 Medicare tax withheld	8 Other taxes withheld	9 Total amount paid to you	10 Other information	11 Other information	12 Other information	13 Other information	14 Other information	15 Other information	16 Other information	17 Other information	18 Other information	19 Other information	20 Other information	21 Other information	22 Other information	23 Other information	24 Other information	25 Other information	26 Other information	27 Other information	28 Other information	29 Other information	30 Other information	31 Other information	32 Other information	33 Other information	34 Other information	35 Other information	36 Other information	37 Other information	38 Other information	39 Other information	40 Other information	41 Other information	42 Other information	43 Other information	44 Other information	45 Other information	46 Other information	47 Other information	48 Other information	49 Other information	50 Other information	51 Other information	52 Other information	53 Other information	54 Other information	55 Other information	56 Other information	57 Other information	58 Other information	59 Other information	60 Other information	61 Other information	62 Other information	63 Other information	64 Other information	65 Other information	66 Other information	67 Other information	68 Other information	69 Other information	70 Other information	71 Other information	72 Other information	73 Other information	74 Other information	75 Other information	76 Other information	77 Other information	78 Other information	79 Other information	80 Other information	81 Other information	82 Other information	83 Other information	84 Other information	85 Other information	86 Other information	87 Other information	88 Other information	89 Other information	90 Other information	91 Other information	92 Other information	93 Other information	94 Other information	95 Other information	96 Other information	97 Other information	98 Other information	99 Other information	100 Other information
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Form 1099-MISC
www.irs.gov/form1099
Department of the Treasury - Internal Revenue Service

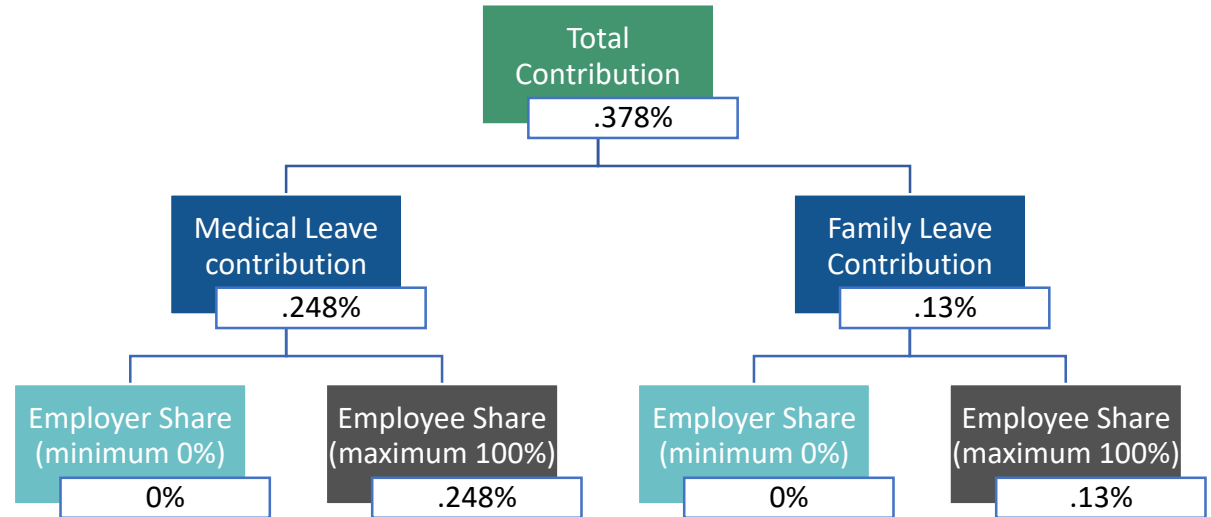
Contribution Rates

The program is funded through a .75% contribution which is split between an employer and an employee contribution. Employers with fewer than 25 covered individuals in their workforce are not required to submit the employer contribution.

Employers with 25 or more covered individuals



Employers with fewer than 25 covered individuals



Notify Employees and Contractors

Notify your Workforce

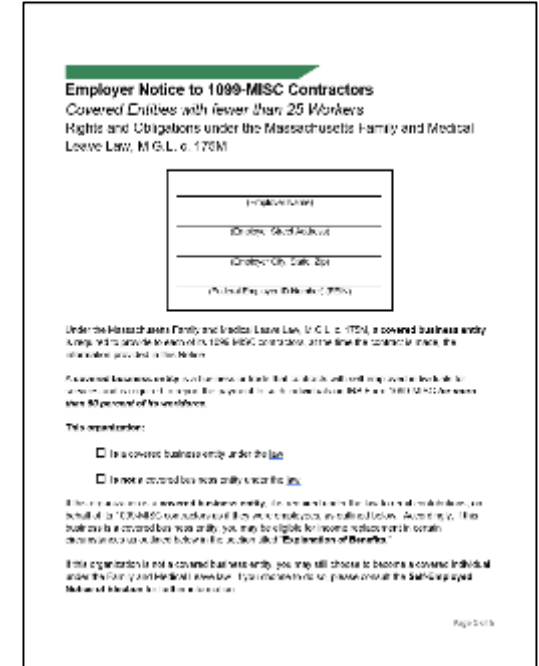
Now:

Display the PFML Poster



By Sept 30:

Notify your Workforce through Individual Notices



We suggest you place the poster alongside other mandatory workplace posters you've displayed, like wage and hours laws, workplace discrimination, worker's compensation, and workplace safety.

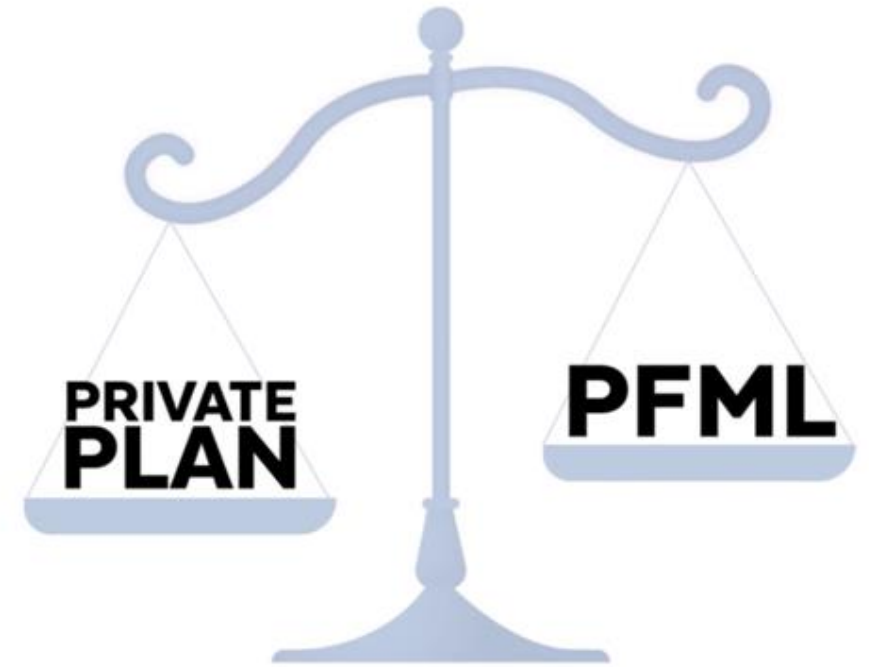
Updated templates are now available for covered entities with fewer than 25 covered entities

Downloads and Translations available here: <https://www.mass.gov/lists/paid-family-and-medical-leave-downloads-for-massachusetts-employers>

Exemptions

Exemptions

- Employers offering paid family and/or medical leave programs for their workforce can apply for exemptions from withholding and remitting PFML contributions.
- Private plan options must be as generous or better than the state plan with respect to workforce benefits, contributions, and rights and protections.
- Exemption applications are available now on MassTaxConnect at <https://mtc.dor.state.ma.us/mtc/>.



MassTaxConnect Overview

Employer Application to be Exempted from PFML

December 20, 2019

Deadline to file for private plan exemptions that, if approved, the approval will be retroactive to October 1, 2019. All applications approved after December 20, 2019 will become effective the first day of the subsequent quarter in which the application was approved.



A Right to Appeal to the DFML and district court if denied family/medical leave benefits by a private plan



30 days

(At least) the employer must notify the DFML before making any changes to their plan.

1 Year

Must reapply each year.



Exemption Facts

- Deadline to file for private plan exemptions that, if approved, would be retroactive to October 1, 2019 is December 20, 2019.
- Your plan must meet all minimum requirements and must not cost your covered individuals more than their required to contribute to the state plan under the PFML law.
- Self insured plans will need to provide a surety bond running to the Commonwealth of Massachusetts.
- If the exemption is approved, you will receive a letter with instructions listing the steps you should take next.
- If the exemption is denied, you will be notified as to the reason and may request a follow up review on or after October 1, 2019.
- The exemption is valid for one year.
- Exemptions are accepted on a rolling basis throughout the year.
- To preview the exemption questions view the address below.

<https://www.mass.gov/info-details/paid-family-and-medical-leave-exemption-application-process>

[Home](#) > [Request a Paid Family and Medical Leave Exemption](#)[Contact Us](#)[Frequently Asked Questions](#)[Video Tutorials](#)

Contact Information

Who should we contact if we need more information?

Contact Name

JOHN BREW

Phone Number

(617) 887-6367

Email

x@x.com

Exemption Details

Was the average size of your Massachusetts workforce in the last calendar year comprised of 25 or more workers (W-2 employees and 1099-MISC contractors)?

 Yes No

Was more than half of your Massachusetts workforce in the last calendar year paid through the 1099-MISC form?

 Yes No

What kind of paid leave plan do you offer?

Medical and Family Plan

Did you purchase a plan or are you self-insured?

Purchase Private Plan

Medical Private Plan Details

Medical Private Plan Provider

TUFTS HEALTH

Medical Private Plan Number

1234

Date Medical Policy Coverage Begins

01-Apr-2019

Date Medical Policy Coverage Ends

01-Apr-2020

Family Private Plan Details

Family Private Plan Provider

TUFTS HEALTH

Family Private Plan Number

5678

Date Family Policy Coverage Begins

01-Apr-2019

Date Family Policy Coverage Ends

01-Apr-2020

[Cancel](#)[< Previous](#)[Next >](#)

Registration

- DOR will auto-register PFML accounts for TPs that have Withholding Tax accounts, with an effective date of October 1, 2019.
- Register on MassTax Connect (MTC) by adding an account type.

The screenshot displays the MassTaxConnect website interface. At the top, there is a navigation bar with the 'Mass.gov' logo and 'MassTaxConnect' title. Below this, a 'Home' link is visible. A secondary navigation bar contains links for 'Contact Us', 'Frequently Asked Questions', and 'Video Tutorials'. The main content area is divided into three columns. The left column features a 'Log In' section with fields for 'Username' and 'Password (case sensitive)', a 'Logon' button, and links for 'Forgot Password?', 'Forgot Username?', and 'Create my username'. The middle column, titled 'Quick Links', lists various services under the heading 'RETURN VERIFICATION', with 'Register a new taxpayer' highlighted by a red box. The right column, titled 'Individual', lists services such as 'Request a certificate of good standing' and 'Request copy of previously filed tax return'.



Filing and Remitting Contributions

- Filing options:
 - MassTaxConnect
 - Electronic XML Bulk File
 - Electronic Bulk File
 - ❖ Instructions for both Electronic XML Bulk File and Electronic Bulk File can be found at <https://www.mass.gov/info-details/dor-bulk-file-instructions-for-businesses>
- Required fields:
 - SSN/ITIN
 - First and Last Name,
 - YTD Wages,
 - Wages This Quarter and
 - Employee percentages
- Accepted forms of payment include Checks, Credit Card, ACH Credit and ACH Debit.

☰ Paid Family and Medical Leave Return

[Contact Us](#) [Frequently Asked Questions](#) [Video Tutorials](#)

Contribution Rate





















Number of Employees Number Of Independent Contractors

Total Employees

Contributions

[Set All Medical %](#) [Set All Family %](#) [Import From Excel](#) [Filter](#)

◀ ◀◀ 1 of 6 ▶▶ ▶▶ 1 - 10 of 51

	Employee SSN / ITIN	First Name	Last Name	Independent Contractor	Opt in	YTD Wages	Wages This Quarter	Taxable Wages	% of Medical from Employee	Employee Medical	Employer Medical	% of Family from Employee	Employee Family	Employer Family
	 555-44-1234	EMPLOYEE FIR	EMPLOYEE LAS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	60,000.00	20,000.00	20,000.00	100	123.75	0.00	100	26.25	0.00
	 555-44-1235	EMPLOYEE FIR	EMPLOYEE LAS	<input type="checkbox"/>	<input type="checkbox"/>	60,600.00	20,200.00	20,200.00	40	50.00	74.99	100	26.51	0.00
	 555-44-1236	EMPLOYEE FIR	EMPLOYEE LAS	<input type="checkbox"/>	<input type="checkbox"/>	61,206.00	20,402.00	20,402.00	40	50.49	75.74	100	26.78	0.00
	 555-44-1237	EMPLOYEE FIR	EMPLOYEE LAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	61,818.00	20,606.00	20,606.00	40	51.00	76.50	100	27.05	0.00
	 555-44-1238	EMPLOYEE FIR	EMPLOYEE LAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	62,436.00	20,812.00	20,812.00	40	51.51	77.26	100	27.32	0.00
	 555-44-1239	EMPLOYEE FIR	EMPLOYEE LAS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	63,061.00	21,020.00	21,020.00	40	52.02	78.04	100	27.59	0.00
	 555-44-1240	EMPLOYEE FIR	EMPLOYEE LAS	<input type="checkbox"/>	<input type="checkbox"/>	63,691.00	21,230.00	21,230.00	40	52.54	78.82	100	27.86	0.00
	 555-44-1241	EMPLOYEE FIR	EMPLOYEE LAS	<input type="checkbox"/>	<input type="checkbox"/>	64,328.00	21,443.00	21,443.00	40	53.07	79.61	100	28.14	0.00
	 555-44-1242	EMPLOYEE FIR	EMPLOYEE LAS	<input type="checkbox"/>	<input type="checkbox"/>	64,971.00	21,657.00	21,657.00	40	53.60	80.40	100	28.42	0.00
	 555-44-1243	EMPLOYEE FIR	EMPLOYEE LAS	<input type="checkbox"/>	<input type="checkbox"/>	65,621.00	21,874.00	21,874.00	40	54.14	81.21	100	28.71	0.00
				<input type="checkbox"/>	<input type="checkbox"/>									
						3,966,470.00	1,322,157.00	1,322,157.00		3,346.59	4,834.26		1,735.33	0.00

◀ ◀◀ 1 of 6 ▶▶ ▶▶ 1 - 10 of 51

[Save and Close](#) [Cancel](#) [Next >](#)

Reporting

<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0115	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents	2019
		\$	
		2 Royalties	Form 1099-MISC
PAYER'S TIN		3 Other income	4 Federal income tax withheld
		\$	\$
RECIPIENT'S TIN		5 Fishing boat proceeds	6 Medical and health care payments
RECIPIENT'S name		\$	\$
		7 Nonemployee compensation	8 Substitute payments in lieu of dividends or interest
		\$	\$
Street address (including apt. no.)		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds
City or town, state or province, country, and ZIP or foreign postal code		\$	\$
Account number (see instructions)		11	12
FATCA filing requirement <input type="checkbox"/>		13 Excess golden parachute payments	14 Gross proceeds paid to an attorney
\$		\$	\$
15a Section 409A deferrals	15b Section 409A income	16 State tax withheld	17 State/Payer's state no.
\$	\$	\$	

Form 1099-MISC www.irs.gov/Form1099MISC Department of the Treasury

Miscellaneous Income
Copy 1 For State Tax Department

2222		a Employee's social security number		OMB No. 1545-0008	
b Employer identification number (EIN)			1 Wages, tips, other compensation	2 Federal income tax withheld	
c Employer's name, address, and ZIP code			3 Social security wages	4 Social security tax withheld	
			5 Medicare wages and tips	6 Medicare tax withheld	
			7 Social security tips	8 Allocated tips	
d Control number			9	10 Dependent care benefits	
e Employee's first name and initial Last name Suff.			11 Nonqualified plans		12a
			13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>	12b	
			14 Other		12c
					12d
f Employee's address and ZIP code					
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax
					20 Locality name

QUESTIONS

Next Steps

Sign Up to Get Notifications and Updates

1. Sign up for DFML Email and Announcements on the Website

www.mass.gov.pfml

2. Follow us on:

Facebook (Department of Family and Medical Leave – DFML) ,

LinkedIn (Massachusetts Department of Family and Medical Leave

Twitter (@MAPFML)



Contact Us with Questions or Issues

BEFORE YOU DO ANYTHING ELSE...

Check our websites – www.mass.gov.pfml or

<https://www.mass.gov/info-details/paid-family-and-medical-leave-exemption-requests-registration-contributions-and>

For Program Questions:

Email DFML via website portal

For Contributions and Exemptions:

You Tube: [DOR YouTube channel](#)

For MassTaxConnect questions and technical assistance,
please contact the PFML Customer Care Center at (617) 466-3950.



Share Information with Your Customers

- From DFML Emails and Announcements
- With Videos produced for Employers and Employees
- Via PowerPoint presentations found on the Website

PFML NEWS

**Policy Clarification -
When do you count
Self-Employed
Contractors as
Employees?**





PFML

It's your business.

Are you PFML ready?
Massachusetts' **Paid
Family & Medical Leave**
program is here. Find
out what you need to do
to get your business ready.
Visit mass.gov/pfml today.



A message from the Massachusetts
Department of Family and Medical Leave