

Paid Family and Medical Leave Update: Notice to Employees and Covered Contractors Required by June 1, 2019

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Three weeks ago, we reported on the Massachusetts Department of Family and Medical Leave's new guide for employers on how to comply with the new Paid Family and Medical Leave Act (PFMLA). That alert can be found [here](#). The Department recently updated that guide to include two template notices. These notices, which inform employees and independent contractors of their rights and required contributions under the new law, must be completed and distributed by June 1, 2019.

The notice templates require employers and covered business entities to provide three specific types of information.

1. they must provide identifying information about the company – the name, address, and employer ID number.
2. they must indicate what percentage of the family and medical leave contributions the employer will cover.
3. an employer must specify whether they are using an approved private plan for either family leave, medical leave, or both.

The notices also establish how the overall contribution will be split between family leave and medical leave. As a reminder, the total contribution is 0.63% of an employee's wages. The family leave contribution will make up 17.5% of this total contribution, while the medical leave contribution will make up the remaining 82.5%. Larger employers (with 25 or more employees and/or covered self-employed individuals in Massachusetts) must cover up to 60% of the medical leave contribution. Beyond that requirement, employers may pass some or all of the remaining contributions on to employees as a payroll deduction.

As mentioned above, the notices require that they be provided to employees 30 days before July 1, 2019, when payroll deductions will begin. This requirement appears to be new and was not previously mentioned in either the guide or the draft regulations. Employers should prepare now to ensure they are able to provide these notices to employees and, if applicable, independent contractors by the deadline. Before issuing these notices, employers will need to determine whether they will be seeking an exemption for a private plan and, if not, what proportion of the family and medical leave contributions they will cover. In light of the new deadline, we strongly encourage employers seeking exemptions to submit their applications as soon as possible to stand the best chance of receiving a determination on their exemption prior to sending out these notices. We will continue to keep you updated as any developments and changes in this area occur.

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