

## **Paid Family and Medical Leave Update: Notice and Exemption Application Deadlines Extended**

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On May 1, 2019, the Massachusetts Department of Family and Medical Leave announced that it is extending two deadlines for compliance with the new Paid Family and Medical Leave Act.

First, employers and covered business entities now have until **June 30, 2019** to distribute the required notices to employees and independent contractors. (Our prior alert regarding this notice can be found [here](#)).

Second, the Department extended the deadline to apply for an exemption to **September 20, 2019**. As described in our previous alerts ([found here](#) and [here](#)), companies can apply for an exemption to the new law if they either self-insure or obtain insurance through a private carrier that will provide the same or greater benefits as are available to workers under the law while costing workers the same or less than what they would pay under the law. Companies who receive exemptions do not need to remit contributions to the Department on behalf of their employees and independent contractors. The Department's current guidance requires companies to apply for an exemption the quarter before the exemption will be effective, so originally companies had to apply for an exemption by June 30, 2019 for that exemption to be effective during the first quarter of contributions starting July 1, 2019. Now, companies have almost three additional months to apply. If a company's application is denied, however, they will still be responsible for the full contribution amount for the first quarter.

Employers can breathe a little easier with this extra time to notify their employees and review their exemption options. At the same time, employers who plan to apply for an exemption after July 1, 2019 should develop a contingency plan for making the required contributions if their application is denied. Companies in that position should also consult with their tax advisors as to the potential tax implications of any potential contributions. We will continue to keep you updated as further developments unfold.

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