Paid Family and Medical Leave

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

- History
- Program Structure
- Implementation Strategy
- Communications Strategy
- Lessons Learned

Objective

- Provide an overview of the Massachusetts PFML program.
How PFML Started in Massachusetts

- Massachusetts is one of 24 states that allow voter referendum ballot questions.

- After competing versions of a Paid Family Leave program failed to move through the House or Senate, workers’ rights advocates collected enough signatures to force a vote on PFML and other initiatives during the 2018 election. The PFML program on the ballot would have offered 90% wage replacement (which was more generous than either the House or Senate version).

- Employer advocacy groups also had collected enough signatures to force a vote on a number of initiatives including a decrease in the sales tax.

- Employer and worker advocates began negotiating towards a legislative solution in lieu of going to the ballot.

- Led to the **Grand Bargain** (H.4640) which established:
  - A permanent sales tax holiday
  - An increase in the minimum wage
  - A Paid Family and Medical Leave Program
  - Gradual end of premium pay on Sundays and holidays
Program Structure
What’s Covered?

**Family 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**

**Medical Leave**

- **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

<table>
<thead>
<tr>
<th>Year</th>
<th>January 2021</th>
<th>June 2021</th>
<th>January 2021</th>
<th>January 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonding</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caring</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active Duty</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Preparing for PFML

Who is Covered?

**Massachusetts W2 employees**

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

**Certain Massachusetts 1099-MISC Contractors***

- Individuals receiving IRS form 1099-MISC for services performed in the Commonwealth
- Need to:
  1. Be an individual (not a company)
  2. Reside in Massachusetts
  3. Perform services in Massachusetts

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

MA Paid Family and Medical Leave uses the same eligibility criteria as the state unemployment insurance program for W-2 employees. Entities that are excluded from participating in the state UI program (religious organizations, the federal government, etc.) are also excluded from participating from PFML.

Municipalities, political subdivisions and their instrumentalities are also excluded from compulsory participation in the program.
Benefits

**Partial Wage Replacement:**
- Eligible individuals can receive up to 80% wage replacement while taking leave.
- Maximum value: $850 per week
- The structure is designed to replace wages at a higher percentage for lower income claimants.

**Job Protections**
- Expands upon FMLA protections
  - 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.
- Add strong retaliation provisions
  - There is a presumption (unlike other MA laws) that a negative change in status or other employment conditions during the leave or within six months is retaliation.
Preparing for PFML

**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 can apply for an exemption from participation if they offer a plan that is at least as generous as the state plan.

---

**Employers with 25 or more covered individuals**

- **Total Contribution**: .75%
  - **Medical Leave Contribution**: .62%
  - **Family Leave Contribution**: .13%
  - **Employer Share (minimum 60%)**: .372%
  - **Employee Share (maximum 40%)**: .248%
  - **Employee Share (maximum 100%)**: .13%

**Employers with fewer than 25 covered individuals**

- **Total Contribution**: .378%
  - **Medical Leave Contribution**: .248%
  - **Family Leave Contribution**: .13%
  - **Employer Share (minimum 0%)**: 0%
  - **Employee Share (maximum 100%)**: .248%
  - **Employee Share (maximum 100%)**: .13%

*By statute* rates are adjusted each year to ensure 140% fund solvency.
Implementation
Towards a Digital and Secure Commonwealth

ESC Presentation

Preparing for PFML

Timeline

15 months is an accelerated timeline to develop policies, processes and technology solutions.

The work started immediately!

Keys to success:

- Having a clear, shared vision of the opportunity to build a new state agency
- Understanding your organizations strengths and weaknesses
- Setting up collaborative structures across the whole of government
Pressing Go for State Implementation

All of the work done has been with a focus on the experience of our users:

• User journey mapping workshops: User personas of workers, employers, our staff and TPAs each with different goals and varying levels of technical expertise.
  • Led the team to problem solve for different perspectives and consider how design choices impact how citizens will engage with the process.

• Involving business, IT, policy and UX experts from across the Commonwealth helped us develop high level journey maps for benefits and contributions describing the ideal process we hope to deliver.

• The outline of a minimally viable product (MVP) was complete in the first few months of the project. The team has continued to iterate since, but the focus remains on delivering the customer experience.

• Listening sessions around the state on draft sets of regulations for stakeholder input.
Preparing for PFML

Design Principals

- Empowered through technology
- Lean business processes
- Leveraging existing state resources
- Positive interaction with public

- An agile approach
- Constituent backed design
- Ruthless prioritization
- Inspiration from others
- Digitization and automation
- Robust change management
Communications
Communications Strategy

The Communications Strategy is based on the objective of increasing stakeholder awareness and participation. There are 3 components to raise awareness:

**Utilizing existing Commonwealth of MA assets**
- Mass.gov website
- Connecting with other MA agencies dealing with businesses
- Utilizing space donated by other agencies

**Paid Media Campaign – 4 Languages to reach Minority Owned Businesses**
- Radio – Top 5 stations in each major market
- Print Ads – Placed in business journals and ethnic newspapers
- Direct Mail – Focused on companies employing under 50 employees

**PFML Generated Campaign**
- Emails to Stakeholders to announce changes in policy and process
- Use of social media PFML sites – LinkedIn, Twitter and Facebook
- Leveraging strategic partners to increase outreach (Chamber of Commerce)
Mass.gov/dfml

The primary objective of the Communications Strategy is to drive the Business Community to the PFML website.

The website was launched in November 2018 as the face of the Department.

• A modern web experience curated based on emerging needs of our stakeholders.

• A portal for inquiries about the program

• A resource for information on Upcoming Events

• Consistently updated with new resources for employers
  • An Employer guide to prepare for withholding
  • A contributions calculator
  • A benefits calculator
  • Downloadable notices and posters (in 13 languages)
Community Participation

The second objective of the Communications Strategy is to increase participation from the stakeholder community.

Our outreach effort is designed to:

- Share program information and seek input;
- Be responsive to the needs of businesses;
- Serve as a pro-active partner; and
- Create business process and requirements that are consistent with industry standards.

This has been accomplished through:

- 12 Regulatory Listening Sessions across the state
- 49 Speaking Engagements
- Around 150,000 unique visits to our homepage
- Over 5,000 questions answered through the website
- Nearly 3,000 calls into our Customer Care center
Lessons Learned
Advice for Other States

• Your user should be at the center of your decision making and they are not a homogenous group. Make efforts to understand how the program will impact workers, employers, TPAs and your own staff.

• Remember that there are many organizations, inside and outside of government, that manage benefits administration. Take advantage!

• No organization does everything perfectly – build off of your strengths and look for help with your weaknesses.

• Think early about how you’ll measure the impact of your program – how can you make the most of your administrative data to track outcomes?

• You’re not alone! Reach out to other states for advice, we’re all in this together.

Adapt what is useful, reject what is useless, and add what is specifically your own.

- Bruce Lee
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.