Paid Family and Medical Leave
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
Towards a Digital and Secure Commonwealth

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**
- Leave to care for an individual’s own serious medical condition

Up to 20 weeks

Aggregate Up to 26 weeks in a benefit year

January 2021

January 2021

January 2021

June 2021
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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 Assurance
- 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.

*By statute* rates are adjusted each year to ensure 140% fund solvency.
Implementation
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Preparing for PFML

Law Signed
Mar 2019

First Draft of Regulations
Jan 2019

Second Draft of Regulations
Mar 2019

Final Regulations
Apr 2019

Withholding begins
July 2019

Private Plan Application Available
Oct 2019

Private Plan for Q1 due
Dec 2019

Benefit Payments Begin
Jan 2021

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
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
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.