

CLIENT ALERT

MASSACHUSETTS PAID FAMILY AND MEDICAL LEAVE IMPLEMENTATION POSTPONED: WHAT EMPLOYERS NEED TO KNOW

Last week, we issued a <u>Client Alert</u> outlining what employers need to know about the new Paid Family and Medical Leave Act (the "Act"). Yesterday, in response to a push by worker and industry groups, the leaders of the Massachusetts Legislature agreed to adopt amendments to the Act that will delay its implementation by three months. Previously set up to require employers to begin withholding payroll taxes on July 1, 2019, employers now need not do so until October 1, 2019. In these three months, we hope to see clarity from the Department of Family and Medical Leave regarding employer obligations and the private plan exemption option. While the delay is certainly welcomed by most employers, there is a downside: the contribution rate has increased from 0.63% to 0.75% in order to make up for the contributions lost by the three-month delay.

We will continue to keep you apprised of further developments pertaining to the Act and its implementation.

If you have any questions regarding the PFMLA, please contact Attorneys Jill Brenner Meixel (jmeixel@kb-law.com) or Allison Belanger (abelanger@kb-law.com).

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