

E-ALERT: Massachusetts Paid Family and Medical Leave Payroll Tax Contributions Delayed until October 1, 2019



Background

On Tuesday, June 12, 2019, Massachusetts Governor Charlie Baker, along with state house and senate leadership just announced that they have agreed to implement a three-month delay to the Massachusetts's Paid Family Leave Act. While the legislature will need to pass an emergency bill before the delay is official, this announcement is welcome news for employers scrambling to comply with what was supposed to be a July 1, 2019 payroll contribution start date to October 1, 2019.

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact [HR Knowledge](#).

Summary

As a result of this delay, the first tax payment from employers will be due by January 31, 2020, for covered wages paid from October 1, 2019, through December 31, 2019. It is also anticipated that the payroll tax rate may be increased to 0.75% (from the current 0.63%) when the payroll tax takes effect on October 1, 2019. The increase to the tax rate has not yet been confirmed.

In addition, this delay may also provide time for the Department of Family and Medical Leave to issue further guidance and clarification with respect to various aspects of the law that were unclear. We will continue to monitor further development and provide updates as more information becomes available.

Employer Next Steps

- With all of these changes, it is unclear if the current June 30, 2019, deadline for employers to hang up the workplace poster and send notifications to their workforce will also be delayed. If you have not sent the required notice or hung up the workplace poster, we recommend waiting at least a few days until further information is released from the Governor and legislative leaders regarding the potential increased tax rate.
- If you have already distributed the required notice to your workforce, you can consider sending a follow up email or other communication letting your workforce know that the tax being levied will start October 1, 2019 instead of July 1, 2019.
- HR Knowledge is following these developments closely and will provide further updates as soon as we are able to.

The People Simplifying HR

For almost twenty years, HR Knowledge has made it our mission to demystify the complex and daunting process of HR management. We do more than just provide the level of service and technology you'd expect from an industry leader. We combine unparalleled passion for service with our decades of HR, payroll, and benefits experience to provide our clients with personalized and actionable advice that is second—to—none. From managed payroll to employee benefits to HR support, we can help your organization thrive, grow, and reduce operating costs—no matter what industry you serve. Whether you're interested in our Full-Service solution or just need your employee handbook written, HR Knowledge can help you minimize risk while staying on top of compliance regulations. The bottom line? We're not just another cloud-based technology company that also does HR, #WeAreHR.

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact [HR Knowledge](#).